

Sales Management

THE MAGAZINE OF MARKETING

UNIVERSITY
OF MICHIGAN

NOV 29 1951

BUSINESS ADMINISTRATION
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Stem from Sales at Schilling 37**

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—How to Meet Them 54**

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FIFTY CENTS



NOV • 20 • 1951



Convention Plans
Motion Pictures
Meetings Packages
Television Commercials
Demonstration Devices
Screen Advertising
Skits

Animated Cartoons ←

Training Manuals
Slidefilms
Pictorial Booklets
Transparencies
Slides

Film Distribution
Turnover Charts
Meeting Guides
Tape Recordings
Disc Recordings
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Poster Charts

Banners
Training Devices
Quiz Materials
Speech Coaching
Pageants

Stage Presentations
Portable Stagettes
Meeting Equipment
Projection Service
Colored Film Productions
Field Surveys
Convention Supervision

One-Stop Service

Putting novelty, life and action into movies, into television commercials, and into slidefilms, calls for all the arts of stop-motion, animated drawings, cartoons, technigraphs in black and white or life-like color.

That's just one phase of Jam Handy service. Jam Handy turns out visual presentations of all sorts of ideas for all kinds of get-togethers . . . helps with all details of field meetings and formal conventions.

You can get it all on a ONE-STOP basis—with one explanation of objectives, with one responsibility, with one accounting . . . at one reasonable price.

Look for the products or services you need in this list at the left. If you will contact the Jam Handy office nearest you, you may get just the help you need for your purpose.

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JAM HANDY
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WASHINGTON 6
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DAYTON 2
310 Talbott Bldg.

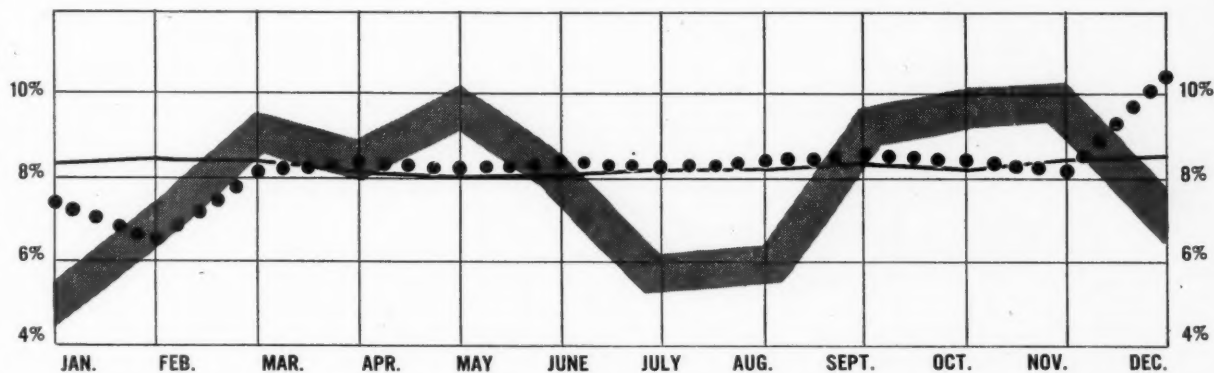
DETROIT 11
2821 E. Grand Blvd.

PITTSBURGH 22
930-932 Penn Ave.

CHICAGO 1
230 North Michigan Ave.

LOS ANGELES 23
7046 Hollywood Blvd.

Continuity of U. S. Retail Sales Circulation and Advertising Pages



..... U. S. Retail Sales. 3-year average 1948-50
 — ABC Circulation. 7 leading magazines—5-year average 1946-50
 — Advertising pages. 7 leading magazines—5-year average 1946-50
 Magazines Included: Good Housekeeping, Ladies' Home Journal, McCall's, Woman's Home Companion, Better Homes & Gardens, Life, Saturday Evening Post.

Study this chart. Measure your present or proposed advertising schedule against it.

Although retail sales and magazine circulation are relatively constant, advertising has illogical peaks and valleys.

To help advertisers maintain a continuous program of selling, *Good Housekeeping* has developed an incentive continuity plan to bring advertising more into line with the facts of selling.

In the "advertising" months that are so

completely off the beam—January, February, July and August—*Good Housekeeping* offers a discount of 7½%.

If you will help us level out our manufacturing costs in these months, we will pass the savings on to you, *thus helping you to maintain continuous, year-around selling, consistent with proved sales patterns.*

When you make calls, you make sales. Make more calls more often and you cannot fail to sell more goods. Our continuity plan helps you make those important calls.



GOOD HOUSEKEEPING

The Homemakers' Bureau of Standards
 8th Avenue at 57th Street, New York

WOMEN

- ... influence 85% of all purchases of consumer goods
 - ... are beneficiaries of 80% of all life insurance
 - ... inherit 70% of the estates left by men
 - ... own 66% of all privately owned government bonds
 - ... own 50% of all privately owned stock in corporations
 - ... hold 65% of the accounts in mutual savings banks
- Women buy ... when you buy, buy women!

The **COURIER-EXPRESS**
SELLS
WESTERN NEW YORK
Because WESTERN N. Y.
IS SOLD ON THE
COURIER-EXPRESS

ONE REASON is that in addition to outstanding news coverage, this fine paper carries a choice selection of nationally known feature writers and leading comics.

OUTSTANDING WRITERS

Drew Pearson	Josephine Lowman
Walter Lippman	Bugs Baer
Ed Sullivan	Robert C. Ruark
Joseph and	Eleanor Roosevelt
Stewart Alsop	Hedda Hopper
Henry McLemore	Alice Hughes

THE PROOF is found in the fact that the circulation of the Sunday Courier-Express* is the largest in the eight Western New York counties which constitute the Buffalo market...and that the morning Courier-Express is widely recognized as the best key to sales to those families with the most money to spend.

*290,348 ABC Audit, 9/30/50

COLOR

for Greater Selling Power.

Full color (two, three or four) available weekdays... black plus one color, Sundays.

BUFFALO
COURIER
EXPRESS

Western New York's Only Morning
and Sunday Newspaper

REPRESENTATIVES:

SCOLARO, MEEKER & SCOTT

It Gets Results Because It
Gets Read Thoroughly

Sales Management

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Stopette Reveals Market-by-Market
Relation of TV Costs to Sales

A mathematics-minded sales chief compares the sales results obtained by increased television advertising with those obtained by other media. Here are challenging ideas on media selection and market analysis.

By William A. Wright, Vice-President and General Sales Manager, Jules Montenier, Inc.

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DISTRIBUTION

Why Distributors Say,
"Put Policy in Writing"

A written distributor policy is much the same as a job analysis for salesmen. It clarifies what is to be done, how, and under what conditions. Here are 16 basic items you'll want to consider in drawing up your own specialized policy.

By Louis H. Brendel, Merchandising Director, James Thomas Chirurg Co.

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EMPLOYEE RELATIONS

Factual Letters from the Boss
Nurture Employee Harmony at Apex

Grapevine reports of unfounded rumors and distorted facts never poison management-labor relations because President Clarence G. Frantz personally sees to it that his entire business family gets the news straight, and gets it first.

By John E. Bryan

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GENERAL

"Politicians Are
Bad Sales Managers"

For one thing, more Congressmen should learn how to use marketing maps. A freshman Congressman explains why ..

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"We Would Like You
To Donate to Our ..."

The manner in which you respond plays an important part in your public relations. You may be able to profit by the experience of this public utility which has worked out 14 ways to size up merits of gift-seekers.

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SALES MANAGEMENT

MANAGEMENT

Why Top Management's Key Policies Stem from Sales at Schilling

Instead of making products to match historical patterns or "guesstimates"—and hoping to sell them at a profit—A. Schilling & Co. reverses the procedure. Everything starts with a kind of perpetual inventory of customer demand. Dividends: lower costs, lower inventory investment, less risk, better teamwork.

By John D. Miller, Executive Vice-President in Charge of Sales, A. Schilling & Co. 37

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How to Merchandise Your Capital Equipment

Don't be scared off by the suggestion that you can "merchandise" heavy industrial equipment. When little known Western Machinery began to promote its pre-fabricated ore mill in unorthodox fashion it found all sales rising.

Based on an interview with Robert W. Hernlund, Sales Promotion Manager & Metallurgical Engineer, Western Machinery Co. 48

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Listo Works Back from the User To Build Premium Market

The story of "The Pencil that Writes on Everything" is largely a tale of sales imagination. The approach is simple: Find a logical application, then ask, "What kind of company has a big stake in this field of usage?"

By D. G. Stuart, Sales and Advertising Manager, Listo Pencil Corp. 74

SALESMANSHIP

10 Price Objections —How to Meet Them

You may save a sale by explaining your price in a logical, practical and downright realistic manner. But first you must get firmly into your mind all the basic reasons.

By Harry Simmons, Management Consultant 54

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Why We Believe in Retail Sales Training

It helps the maker of Duran all-plastic seat covering material to lick four basic sales problems. If the training job looks too tough, take heart from this experience.

By J. Ardell Shadle, Sales Manager, The Masland Dura-leather Co. 43

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THE GREATEST PURCHASING POWER THE WORLD HAS EVER KNOWN APPRECIATIVELY ENVISIONS THE SCOPE AND SERVICE EXPERIENCED BY USE OF THOMAS REGISTER

For many years Uncle Sam has given Thomas Register a Contract at regular subscription rates... (exclusive in its field)... for one or more copies of each edition for substantially every important government procurement office. It has also forwarded T.R. to all Consulates and other important government trade agencies throughout the world. Over 1200 copies of the current 1951 edition to U. S. Government alone.

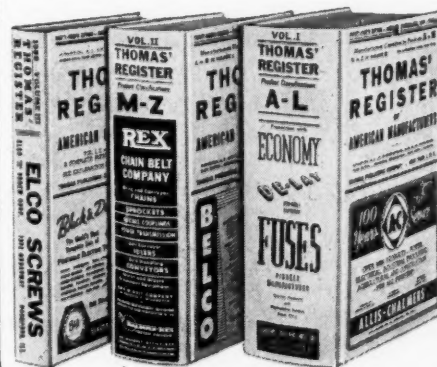
Yet, this vast purchasing potential uses only a fraction of the total T.R. edition, 95% of which is subscribed to and paid for by important private industry — representing, in addition to the enormous government buying, more than 60% of the total industrial purchasing power of all U. S. private industry.

HABITUALLY CONSULTED BY ALL DEPARTMENT HEADS, REPRESENTING 60% OF THE TOTAL INDUSTRIAL PURCHASING POWER OF THE U. S., WHO ARE CONCERNED WITH WHAT TO BUY & WHERE TO BUY.

96% ABC Paid Circulation

THOMAS REGISTER

461 EIGHTH AVENUE • NEW YORK 1, N. Y.





Sick in Detroit? Got a headache in Hartford?

Call in Nation's Business. With three-quarters of a million *mass coverage* of business management, it knocks the spots off any anemic market. Gives you 85% coverage of big business, 47% of the top echelon . . . powerful penetration in the heart of town, and downright dominance as you get circulating through the trading area. Best of all . . . because it is the BIG buy, it's always working hard on more than enough prospects for every one of your salesmen or dealers. Of all magazines for businessmen, it's not only the biggest—it's far and away the most merchandiseable. *Ask your agency today for the full NB story.* Nation's Business, Washington 6, D. C.

mass coverage of business management

NATION'S BUSINESS

A GENERAL MAGAZINE FOR BUSINESSMEN



EXECUTIVE OFFICES, 386 Fourth Avenue,
New York 16, N. Y. Lexington 2-1760

EDITORIAL

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ASSOC. MANAGING EDITOR..John H. Caldwell
SPECIAL FEATURE EDITOR..Lawrence M. Hughes
ASSOCIATE EDITORS.....Alice B. Ecke,
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PRODUCTION MANAGER.....Madeleine Roark
RECORDS.....Rose Cufugno

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386 Fourth Avenue Lexington 2-1760
Merril V. Reed W. E. Dunsby
John W. Hartman Wm. McClenaghan
CHICAGO 1, ILL.
333 N. Michigan Avenue State 2-1266
C. E. Lovejoy, Jr. W. J. Carmichael
SANTA BARBARA, CALIF.
15 East de la Guerra Santa Barbara 6405
P. O. Box 419 Warwick S. Carpenter

SUBSCRIPTIONS

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SUBSCRIPTION MANAGER.....C. V. Kohl
\$8.00 a year; Canada, \$9.00; Foreign \$10.00

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ASS'T GENERAL MANAGER..John W. Hartman
TREASURER.....Edward Lyman Bill
VICE PRESIDENTS.....C. E. Lovejoy, Jr.
Merril V. Reed, W. E. Dunsby, R. E. Smallwood

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Member



November 20, 1951 Volume 67 No. 11



to Service....

and Herald-American Service features make sales in Chicago

GIVE today's housewife authentic, up-to-the-minute news from the food front, practical menus and money-saving marketing tips, and you've given her a service that out-ranks all others.

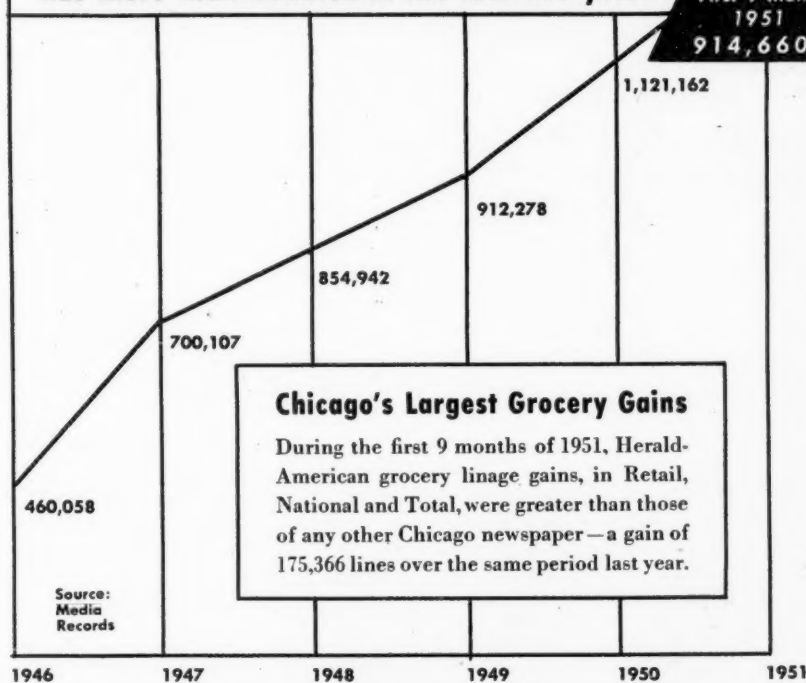
To well over a half-million Chicago area housewives, the Herald-American's attractive News of Food pages provide a service that leads directly to more than 13,000 Chicago area grocery counters.

During the first nine months of this year, more than 126,900 housewives consulted Herald-American Home Economics editors concerning suggestions they read in their News of Food pages—an increase of more than 20% over same period last year.

Chicago grocers know this service means sales. Retail grocery lineage in the Herald-American has increased more than 143% in the last five years. During the first nine months of this year, the Herald-American's food lineage gains—175,366 lines over the same period last year—were greater than those of any other Chicago newspaper. Greater by far!

This amazing record of service and sales is further evidence that the newspaper that serves its readers best, best serves its advertisers. Proof, too, that if what you sell goes into the home, your advertising belongs in the Chicago Herald-American.

Retail Grocery lineage in the Herald-American has more than doubled in the last five years



Chicago's Largest Grocery Gains

During the first 9 months of 1951, Herald-American grocery lineage gains, in Retail, National and Total, were greater than those of any other Chicago newspaper—a gain of 175,366 lines over the same period last year.

Chicago HERALD-AMERICAN

at your service!

NATIONALLY REPRESENTED BY HEARST ADVERTISING SERVICE

The Human Side

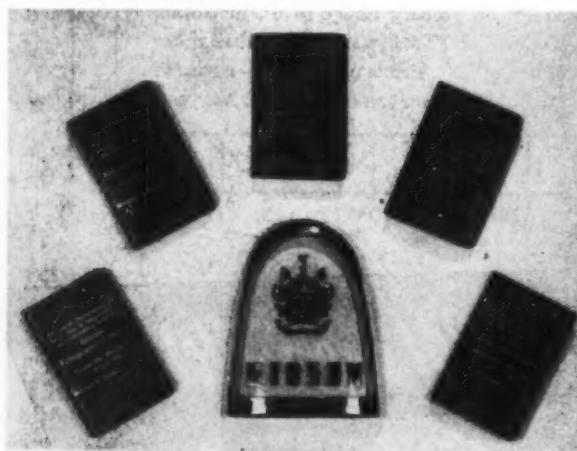
ADVERTISING MAN'S SABBATICAL

When the advertising manager of a national organization—engaged in the highly competitive field of major appliance merchandising—leaves the security of his ivory tower and returns to personal selling, he gains entirely new conceptions of the relationship between the man on the firing line and advertising. It happened to Gregory V. Drumm, advertising manager of Gibson Refrigerator Company, when he set out several months ago from Greenville, Michigan to seek defense contracts.

Mr. Drumm's experiences in personal selling, after some 14 years behind the advertising manager's desk, have convinced him that advertising managers—"salesmen of their own campaigns"—should engage in personal selling at least six months out of every five to seven years. He recommends a working "Sabbatical"—a personal refresher course in selling.

No novice in the profession of selling, Mr. Drumm first gathered his guns and ammunition as if he were a field commander approaching his toughest battle.

Realizing the value of visual presentations, Mr. Drumm prepared a large brochure, measuring 12 to 15 inches—too big for anyone to file, but impossible to lose on a desk. This contained a picturized account of Gibson plants, facilities, and various departments from research laboratory to export shipping. Civilian products were completely described. War work experience in World War II was fully recounted. It described the newly created Defense Products Division headed by Albert M. Gibson, and wound up with special consideration, such as sound labor relations and freedom from



MEMENTOES . . . People don't forget Gregory V. Drumm after he's made a call . . . Mr. Drumm leaves everyone, including the boss's secretary, a paper weight or notebook!

strikes. In fact, the brochure contained *complete* information about Gibson, in 40 illustrated pages.

After sending personal letters to a long list of likely industrial prospects, saying they could expect to see him soon, Mr. Drumm set out on his campaign. On the first call he would tell the prospect that he only wanted three minutes of his time. This was often met with a cynical smile.

Mr. Drumm then presented his prospect with a very handsome paper weight, made as a replica of the Gibson crest. Next he would present the prospect with the Gibson brochure and then spend the balance of the three minutes briefing the prospect on Gibson's background, facilities, production "know-how" and present ability to produce goods, from design to delivery.

At the end of three minutes the prospect was startled by the buzzing of Mr. Drumm's special "alarm clock" wrist watch, which had been set at the beginning of the interview.

At the close of the interview Mr. Drumm presented his prospect and associates, including secretaries and office girls, with neat notebooks for purse or pocket book—each bearing the Gibson imprint. These, Mr. Drumm feels, answer the need for appealing to the personal convenience of the prospect.

After this type of initial sales presentation, no one around the prospect's office forgot either Gibson, or Mr. Drumm and his "alarm clock" watch.

Mr. Drumm followed up each personal call with a thank-you letter and subsequent telephone and personal calls on the prospect. By this time a sound relationship had been established. While Mr. Drumm was able to help close defense contracts running well into the millions in his first few weeks of work, he also became well aware of the "pattern of discouragement" that so often affects salesmen.

After telling the same story over and over for more than 50 times, Mr. Drumm began to see the necessity for frequent "fresheners" that would put new life into the salesman's basic advertising and selling story. These "shots in the arm" should come frequently from the home office, he believes.

The experience has been exciting, thrilling, challenging, and discouraging, all at once. Mr. Drumm recommends that advertising managers leave their crystal balls now and then, and get down to personal selling against personal competition. His contention is that knowing the salesman's problems first-hand will help any advertising manager in all of his important work.

"I Have Always Considered the RURALIST Indispensable in Selling Our Durocs"

Says Mrs. J. L. Peppard
Peppard Farms
Lawson, Missouri



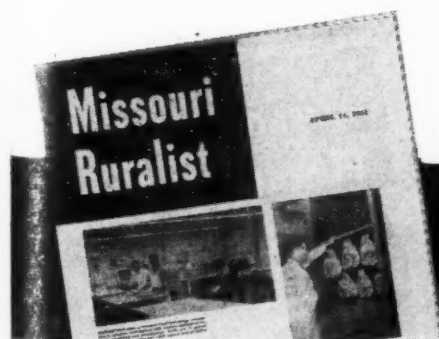
Small ads—placed consistently—tell the Peppard Farms story to *Missouri Ruralist* readers.

EXTRA! On September 30th, *Missouri Ruralist* showed an increase of 42,874 lines over the first nine months of last year. There's a record in the making!

Peppard Farms is famous for its great herd of fine quality Durocs. Its quarterly sales, advertised on the pages of *MISSOURI RURALIST*, are outstanding successes. "Our ads in the *RURALIST* bring buyers from all over the state," Mrs. Peppard says. "I highly recommend it as a live-stock medium."

More than 400 other livestock breeders agree. They, too, advertise in *MISSOURI RURALIST* year after year—and they get results! So if you want YOUR ad to reach more of the rich Missouri farm market, place it in *MISSOURI RURALIST*. See what our advertisers mean when they say:

"WE LIVE IN MISSOURI . . . WE'VE BEEN SHOWN!"



MISSOURI RURALIST

Published by CAPPER PUBLICATIONS

Editorial Office, FAYETTE, MO. Business Office, TOPEKA, KANS.

FRESH LOOK AT A PRODUCT

Here's a case history of a company that took a fresh look at a going product—and found it could be made to “go” faster, faster and faster! Maybe it will give you ideas. At least it should teach you never to let-well-enough-alone. In this instance the product was the homely juke box—the coin-operated machine which, for the price of a nickel (with inflation, a dime), will grind out the tune of your choice. The fresh look was taken by the Solotone Corp., Los Angeles.

To you it's as simple as dropping a coin in the machine—one of the more than 500,000 in the U. S.—and buying three minutes of entertainment. But for the operator who put that machine into the restaurant or bar, who shares his earnings with the proprietor, it's a different thing altogether. That operator is selling *time*.

He has a machine that can entertain a roomful of customers. There are a dollar's worth of minutes in an hour—but such hours are, of course, rare. When a customer has dropped his coin, the machine is tied up for three minutes. It can entertain a roomful of people, but it can't take in more than a nickel at a time.

These Los Angeles executives thought that the machine could be improved along two lines: First, it could entertain more customers simultaneously. Second, they wanted to eliminate the gregarious loud tones of the conventional music machine.

After the inevitable experimenting, they developed the “Solotone,” by which intimate coin-operated listening

units can be placed in every booth of a restaurant, and at every other seat along a counter. From one to 20 or more units can be playing at the same time, each earning a nickel. And for certain programs—like a broadcast ball game—15 nickels can be put in at once.

The conventional music machine offers about ten tunes played from records. Once the nickel is put in and the tune chosen, it has to be heard to the end. The “Solotone” offers ten records. The customer can tune them all in by twisting a knob on his unit until his six minutes have elapsed. He can also tune in on four radio programs—and now television!

All this entertainment for a nickel comes through a master cabinet in a separate room, with ten three-speed phonograph turntables and four radio receivers tuned to local stations. Each plays separately when tuned in from any single listening unit, all can be playing simultaneously, and everything is automatic; if one turntable or radio set should go out, the others are not affected.

Television is being adapted with sales appeal. From one to four programs can be thrown on screens in different spots of a restaurant, and go on continuously—but silently. If the customer wants to hear sound, he puts a nickel in a listening unit and can sample them all.

During the first year, extensive advertising was done in trade journals read by coin-machine operators, and more than 40,000 listening units were sold with central cabinets. This amounted to almost one-twelfth of the nation's juke boxes.

IS IT TRUE WHAT THEY SAY ABOUT SECRETARIES?



... that the demand for really good secretaries far exceeds the supply?

True indeed! So, treat *yours* considerately. Make her life . . . and, incidentally, your own . . . easier, more pleasant, more productive by dictating to TYCOON. With this tireless, ever-ready equipment, you dictate when *you're* ready; your secretary transcribes to suit *her* schedule. Both of you save time, trouble, irritating delays and interruptions. Both get *more* done with *less* effort . . . make every working minute count—pay bigger dividends.

Take TYCOON with you on business trips. It only weighs 15 lbs. . . works night or day in car, train, plane or hotel room. Mail coupon today. Learn how you . . . and your secretary . . . can take it easy . . . make it easy with TYCOON. Write Dept. SM-11, SoundScriber Corporation, New Haven, Conn.

SOUNDSCRIBER

Trade Mark

First All Electronic Dictating System • First Disc Dictating Equipment

230 Sales and Service Centers Coast to Coast

SOUNDScriber CORP.
New Haven 4, Conn.
Please send me "Tycoon" Brochure

NAME

ADDRESS

SM-11

People and their Ideas



NATIONAL CAN'S McNAMARA

New Sales Jobs

J. T. Baker Chemical Co. has announced three executive promotions in the Sales Department: **Charles H. Slater** has been promoted to assistant to **R. A. Clark**, v-p in charge of sales. Slater's post will be filled by **Warren F. Shumacher**. Named to succeed Shumacher as manager of the New York sales office is **Harold W. Feuchter** . . . New v-p in charge of sales for Motorola-New York is **William W. Cone** . . . Joining Eversharp, Inc., as director of sales and merchandising of the Shaving Instrument Division is **Charles N. Crittenton** . . . National Can Corp. has consolidated its several sales departments into a single operation. **F. B. McNamara**, former general sales manager, becomes v-p in charge of sales; heading the Midwestern Division is **Robert E. Tanner**. Heading the Eastern Division—**John S. Baker** . . . Another company making over-all sales department changes is The Jones Metal Products Co. It has separated the Sales Department into two major divisions: Department Store—Drug—Hospital Division and the Industrial Division. **Herbert Boyer** has been elected v-p in charge of sales . . . **Richard E. Buchanan** has joined Pabst Sales Co., Sales Division, as sales manager of the Export Division . . . **Robert E. Mohr** has been appointed director of sales, The United States Time Corp. . . . New sales manager of domestic heating equipment of the South Wind Division, Stewart-Warner Corp., is **Ray F. De Vaney** . . . **Louis Martin** has been named to the newly-created post of general sales manager, Standard Coil Products Co. . . . **M. O. Gustafson** has been named Southern Division

s.m. and elected a v-p of Thyer Manufacturing Corp. . . . **Harry J. Farra** has been named s.m. of The Moore & White Co.

. . . and other executive appointments

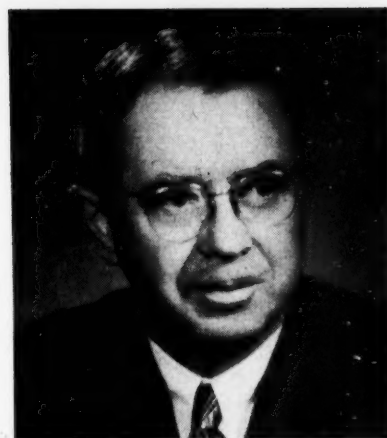
The Studebaker Corp. has appointed two executive vice-presidents: **P. O. Peterson** and **K. B. Elliott**, formerly v-p in charge of sales . . . **Gerry E. Morse** has been elected v-p at Minneapolis-Honeywell Regulator Co. . . . Johnson & Johnson also has two new vice-presidents: **John F. Kiley**, general line sales manager, and **Edward G. Gerbic**, director of merchandising . . . Chambers Illinois Corp. has appointed **Russell Gardner** to head a newly-created Builders' Division . . . **Burt M. Strouse** has been appointed v-p in charge of Nedick's Franchise Stores throughout the country.



SOUTH WIND'S DE VANEY

The Pattern Changes

"No longer is last week's income a reliable guide to this week's spending;

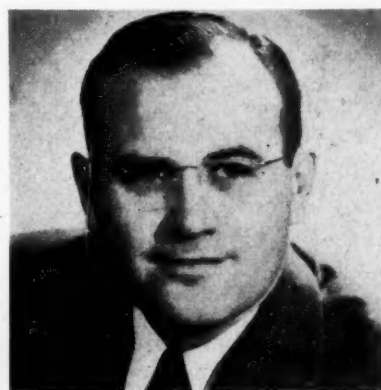


STUDEBAKER'S ELLIOTT

no longer does this week's spending tell the complete story on next week's consuming. Today the customer at the retail counter has his own inventory policy; and the consumers' inventory policy—what he will buy, what he will hold, and what he will use is only partially, very partially, a matter of economics." No blue-sky talk. This was **Beardsley Ruml**, economist and tax expert, speaking at the recent opening of a Los Angeles branch office of The Wool Bureau.

Management's Duty

Said **Irving S. Olds**, chairman of the board, U. S. Steel, at Yale's annual Alumni Dinner: "Every well-managed corporation . . . must preserve . . . improve and develop the major sources of its raw materials; but if it is necessary for us to spend millions of dollars to beneficiate the ore which goes into our blast furnaces and to process the coal which goes into our coke ovens—then why is it not equally our business to develop and improve the quality of the greatest natural of all—the human mind? . . . To a limited extent, many corporations are doing that today. They support scientific research by qualified schools, in various . . . fields."



J & J'S KILEY AND GERBIC

75TH ANNIVERSARY YEAR

Farm Journal

Coming in 1952: The Stories of How

American Farming Produces Abundance.

Enriches the Nation, Strengthens Freedom

and Creates New Hope for All Human

... the basic buy for

Who pushes your product?

Not the book that drops in once a year with: "We've a corking article on widgets in the December issue. You really should have an ad in there, old boy."

No, the magazine that **really pushes your product** is the one that does the most, from issue to issue, to help its readers with the serious business of having a happy, healthy, successful family life.

When it comes to that kind of product pushing, The American Magazine is admittedly in a class by itself. Every month over 2½ million above-average

American families look to The American for guidance as to what to live in and ride in, what to eat and wear, what to see and where to go.

Examples of Family Service

Advertisers of vacuum cleaners, brushes, floor compounds, household appliances, read: **YOUR WIFE HAS AN EASY RACKET**—housework analyzed by an industrial engineer. In the November issue.

Advertisers of travel, bus, rail, ship, air lines; hotels, luggage, read: **FLORIDA—AMERICA'S TOP VARIETY SHOW**—high-lighting Florida's tourist attractions. In the November issue.

Advertisers of anti-biotics, tonics, emulsions, vitamin tablets, cold remedies, read: **THE MEDICINE YOU MAKE YOURSELF**—a Family Health article. In the December issue.

Advertisers of ski wear and supplies, sporting goods, sweaters, gloves, sun glasses and sports wear, read: **TRACK!**—The Family Goes Skiing, a timely family recreational article. In the December issue.

Remember: The American Magazine—over 2½ million families with incomes 38.7% above U. S. average. Remember: Families specially conditioned for buying by a steady diet of Family Service Editorial. Remember: Advertising costs less in The American Magazine because it lives longer and pushes harder.



buy **THE American** MAGAZINE
...sell the American family

IN THE RICH
\$402* MILLION
QUAD-CITY MARKET



THE NEW
MORNING DEMOCRAT

THE EVENING
DAILY TIMES

THE SUNDAY *Washington Post* and *Times*
DEMOCRAT and TIMES

OVER 11,000
INCREASE IN CIRCULATION

SINCE OCT. 2, 1951

*Copr. 1951 Sales Management

HEADQUARTERS DAVENPORT, IOWA

Serving the Quad-Cities of
Davenport, Iowa; Rock Island,
Moline and East Moline, Illinois
Presented nationally by Jann & Keller

CONSOLIDATED
is on the move!



Besides furniture, files and fixtures, 2,000 tons of machinery have to be trucked to our new plant in Nassau County . . . where we'll soon be **better equipped and better able to serve you better.**

CONSOLIDATED Lithographing Corporation
1015 GRAND STREET, BROOKLYN • NEW YORK
Soon to be at Glen Cove Rd., Carle Place, L.I.

The Scratch Pad

BY T. HARRY THOMPSON

Not since General James Longstreet led his gallant, grey-clad warriors into Pennsylvania have I seen such a rash of Confederate flags north of Mason & Dixon's Line.

With a whoop reminiscent of Pickett's Charge, Gem-Dandy, Inc., of Madison, N. C., says in the *Saturday Post*: "Show 'em you're from Dixie. Wear it wherever you go." "It" is "The Confederate Rebel Cravat, \$1.50," with the Battle-Flag emblazoned on its apron. Well, dog my cats; I gotta get me one!

Shop-sign reads: "We weld everything but the break of day."

"Successful men take chances," says Van B. Stith. "You can't steal second base with one foot on first."

CUSTER'S LAST STAND: Siouxicide.

Homer Smith thinks there must be a good "wha hopen?" story behind a Ballantine car-card in which the second and third verses are obviously transposed under their illustrations. I used to call it "the lost art of proofreading," Homer.

Copy for the Remington 60 electric shaver sounds mighty convincing. Nice-looking model, too.

Wanted: More traffic-lights at sea-level.

"A man wrapped up in himself makes a very small bundle."—*Ben Franklin.*

Orville Reed says something we who sell can take to heart: "Never forget that your best customers are your competitors' No. 1 prospects. And keeping the business you *have* is equally as important as opening *new accounts.*"

The same correspondent calls our attention to an item in *Variety* which says Abel Green, editor, has sold a book to Doubleday titled: "Outward Bound and Gagged." Orville thinks that's pretty close to the title of an SM reprint of some columnar paragraphs back there in 1944: "Gagged & Bound." A coincidence, I assume.

HEADLINE PARADE

A trip so Calypso.—*Elbow Beach Surf Club.*

Yours for years.—*American Beauty Electric Iron.*

You won't sell much vichyssoise . . . unless you use the human voice.
—NBC Radio Network.

The world has got the gimmes.—
Eastman Research.

How to avoid Christmas Mourn.—
Zippo Lighter.

Tantalus needed a longer reach.
—*Westchester County Publishers.*

Meet two smart cookies!—*Keebler Baking.*

Joe Mayer says: "Anyone who has to *work* at selling is not a salesman, just as anyone who has to *work* at baseball is not a ball-player. Anyone who is really a salesman, a ball-player, an artist, or anything else *enjoys* what he is doing. Me? I never worked a day in my life!"

I sometimes resent the slogan of Camay: "The soap of beautiful women." Don't they want us hairy apes to use it?

SALES MANAGEMENT

SON

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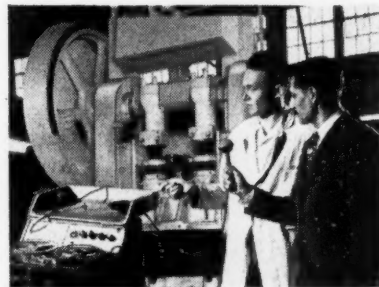
Tape Recording offers inexpensive way to do paper work verbally

Looking for a way to help your sales staff make reports, answer correspondence, clean up nagging details? It's easy—have them do it on "Scotch" Sound Recording Tape! Tape reproduces voices, music, any kind of sound with matchless fidelity.

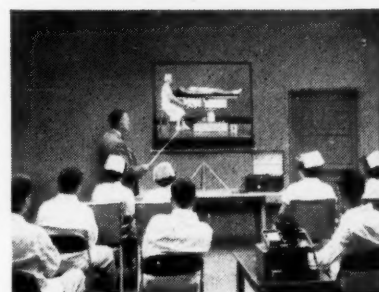
Portable tape recorders enable field men to take care of detail work during spare moments. Tape never misses a word, never tires, never makes a mistake. Recordings are unbreakable, can be played back instantly, corrected simply by re-recording on the same tape (each recording automatically erases the preceding one).

Our new booklet is full of interesting case histories showing how tape recording is being used commercially. Send coupon below for your free copy!

TECHNICAL INQUIRIES and complaints by customers are handled efficiently by recording actual machine sounds together with descriptions of the trouble. This helps experts at the home office diagnose mechanical ailments without expensive field trips.



COMPLICATED SALES TALKS are delivered with crystal clarity by means of color slides and tape recording. Salesmen in all parts of the country present your product's selling points in the same effective way; tedious training of salesmen is eliminated.



Minnesota Mining & Mfg. Co.
St. Paul 6, Minn.

SM-111

☐ Please send free booklet.

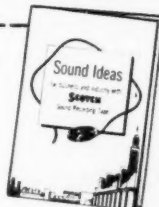
☐ Arrange a free demonstration of tape recording.

Name.....

Firm.....

Address.....

City.....Zone...State.....



SEND THIS COUPON for your copy of "Sound Ideas for Business and Industry". Tells how tape recording saves time, cuts overhead on dozens of jobs. Also contains helpful tips on editing, splicing, storing tape.

The term "SCOTCH" and the plaid design are registered trademarks for Sound Recording Tape made in U.S.A. by MINNESOTA MINING & MFG. CO., St. Paul 6, Minn.—also makers of "Scotch" Brand Pressure-sensitive Tapes, "Underseal" Rubberized Coating, "Scotchlite" Reflective Sheeting, "Safety-Walk" Non-Slip Surfacing, "3M" Abrasives, "3M" Adhesives. General Export: Minn. Mining & Mfg. Co., International Division, 270 Park Avenue, New York 17, N. Y. In Canada: Minn. Mining & Mfg. of Canada, Ltd., London, Canada.

NOVEMBER 20, 1951

21

Reduce warehousing costs

TWA COAST-to-COAST

4-engine all-cargo
"Sky Merchant" service every night!*

Ship almost anything almost anywhere. Your best markets are only hours away. Call TWA today for rates, schedules, quick pick-up.

All TWA flights carry
— Air Mail, Air Express
and Air Freight.

*Except Saturday & Sunday
TWA
TRANS WORLD AIRLINES
U.S.A. • EUROPE • AFRICA • ASIA



HEINN'S Customer Roster Reads Like an Industrial Directory



Preference by America's industrial leaders has made Heinn the leader in its own field. Heinn leadership grows out of the sales results you can expect with binders that look better because of exclusive Protecto Process embossing — binders that always work smoothly and stand up under the hardest use and abuse. No matter what kind of loose-leaf system you use or have under consideration, ask for the complete Heinn story.

These binders typify hundreds custom-produced by Heinn.

CATALOG COVERS • PRICE AND PARTS BOOKS • SALES AND INSTRUCTION MANUALS • PROPOSAL COVERS • PLASTIC TAB INDEXES

HEINN
MILWAUKEE



THE HEINN COMPANY
324 WEST FLORIDA STREET
MILWAUKEE 4, WISCONSIN

ORIGINATORS OF THE Loose-Leaf SYSTEM OF CATALOGING

Why would Canada Dry ditch a distinctive slogan like "The Champagne of Ginger Ales" for the more commonplace "The best of them all"? Or *was* it ditched?

The Lifebuoy advertisement, "Are you safe from 'B.O.' on all thirteen parts of your body?" inspires Atlanta's Harry Casey to a bit of metric reflection:

My research is faulty,
Perhaps I need charts.
I've carefully counted
To find "thirteen" parts.

Sometimes I find seven,
Sometimes even eight;
What precincts I miss
I'm unable to state.

I fret, fume, and chafe,
For I'll never be safe.
I hunt high and low
To combat "B.O."

Now
I'm weary of chases,
Of traces and races,
To find *thirteen* places!

I liked Hunter Lynde's piece in SM on how Jax Beer sailed out of the doldrums. Sound merchandising, as usual, paid off.

A low bow to Frank Marshall for putting us on the mail-list of "The Wolf Magazine of Letters," a regular compilation of bright correspondence. Jack Lang, Wolf Envelope Co., Cleveland, is editor.

"Real command of English will help you reach any goal."—*Sherwin Cody Course in English*. Wanna bet?

You have to pay *more* for a corner property in any town; there is *more* grass to cut, *more* snow to shovel; but there are compensations: You can always sell the place to a funeral-director.

The composer of that old waltz, "Over the Waves," must have pirouetted in his sarcophagus to see it blossom on the Hit Parade, with slight changes, as "The Loveliest Night of the Year."

SALES MANAGEMENT

CARD" TO THE BEST BUYERS

Whether or not today's economy finds you oversold, you cannot afford to let your customers forget you. Competition is keen . . . people in key positions are changing jobs . . . present markets expanding . . . new customers are in the offing.

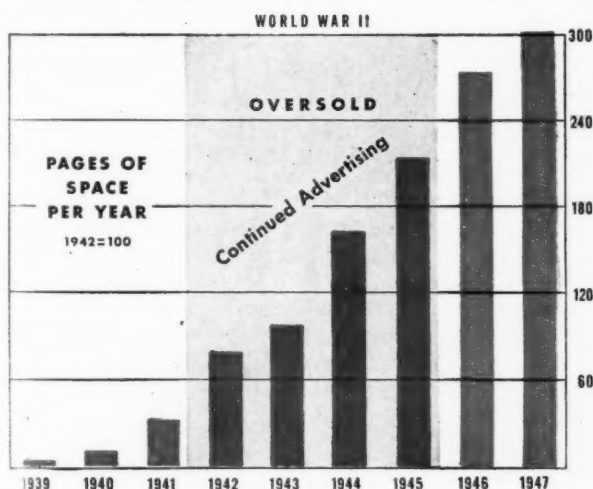
"Mechanized Selling" can be your calling card . . . your way of making contact, arousing interest, creating preference for your product, building and maintaining product recognition.

We call Business Paper Advertising "Mechanized Selling" because it applies the efficient, high-speed tools of adver-

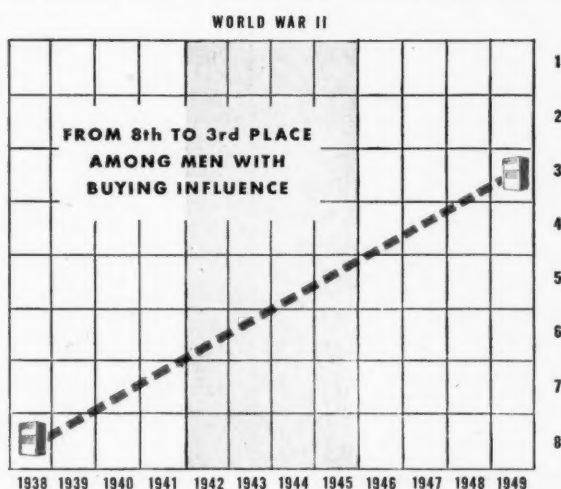
tising to selling. It enables your salesmen to concentrate on the all-important job of making the specific proposal and closing the sale . . . a job which they alone are best equipped to handle.

For more information on how Mechanized Selling can build sales and cut selling costs, write for McGraw-Hill's new 20-page booklet, "Mechanizing Your Sales with Business Paper Advertising." Also available to interested executives for showing at sales meetings is a sound-slide film . . . "Mechanized Selling—Blueprint to Profits." Address your request to Company Promotion Department.

HERE ARE TWO EXAMPLES OF HOW "MECHANIZED SELLING" BUILT PRODUCT RECOGNITION



From obscurity to an enviable position in the flooring business . . . that's the record of a company whose management kept increasing their advertising investment in trade media even when they were oversold.



Mechanized Selling, consistently applied, paid off for this manufacturer of air-conditioning equipment, whose use of business paper advertising was followed, step-by-step, with a gain in product recognition.

McGRAW-HILL PUBLISHING COMPANY, INC.

330 WEST 42nd STREET, NEW YORK 18, N. Y.
(ABP-ABC)

HEADQUARTERS FOR BUSINESS INFORMATION



NOVEMBER 20, 1951

27

How to make \$165,000 in sales from one ad

Any advertisement that racks up \$165,000 in retail sales is worth knowing about. Here's the story.

A full-page advertisement in *The New York Times Magazine* promoted a \$10.95 dress. Even before the advertisement was published, and merely on the information that it would appear in *The New York Times*, stores all over the country ordered far above their regular quotas.

Sales of more than 15,000 dresses—a retail volume of more than \$165,000—were rolled up by that one ad in *The New York Times*.

"A month after the ad appeared, orders still were coming in from Alaska and Canada," the advertiser reveals.

"In New York, one store sold over 1,200 dresses. Every one of the 14 stores listed in the ad reordered at least once. A store in Greenville, S.C., which has never bought more than a few dozen of any model from us, bought and sold 150 dresses."

Cash sales, quickly and economically made, are a profitable habit with *New York Times* advertisers. A main reason, incidentally, why advertisers have made *The Times* advertising leader in the world's first market for 32 years.

Is *The New York Times* working for you? It should be.

The New York Times

"ALL THE NEWS THAT'S FIT TO PRINT"
New York, Boston, Chicago, Detroit,
Los Angeles, San Francisco.

WASHINGTON

Bulletin Board

How to Save More of the Net When You're Renegotiated

The Renegotiation Law gives a contractor a good many breaks—if he knows in advance how to prepare to take advantage of them.

The money your company will make on its Defense business, including its sales to Government contractors, consists, you'd suppose, of receipts less taxes and costs. But it isn't so. The year-end profit statements will have to carry foot-notes, "Subject to Renegotiation"—a phrase which the Government can apply to almost everything it buys. Some time next year, those who sell to the Government or to Government suppliers will get letters telling them when and where to renegotiate.

A company first preparing to do Defense work, whether directly or by sub-contract, should take notice beforehand of what it will be up against. And many now actively in the business, it appears, are in for surprises.

Extra for "Efficiency"

A company must prepare long in advance for its dealings with the renegotiation official. For example, the Government is prepared to grant a manufacturer an A-Plus for "Efficiency" or for putting a lot of his own money into the Defense job. But, as he goes along, the manufacturer must document the things which the Government is prepared to recognize—and reward—as virtues. That is the manufacturer's responsibility—not the Government's. Just as a revenue agent will not point out unclaimed exemptions on your income tax, so a renegotiation officer will not insert merited but unclaimed exemptions in his analysis of your renegotiation papers.

Although the new, broadened Renegotiation Law was passed last spring, only recently has a Renegotiation Board been appointed. Its set-up will differ from that of pre-

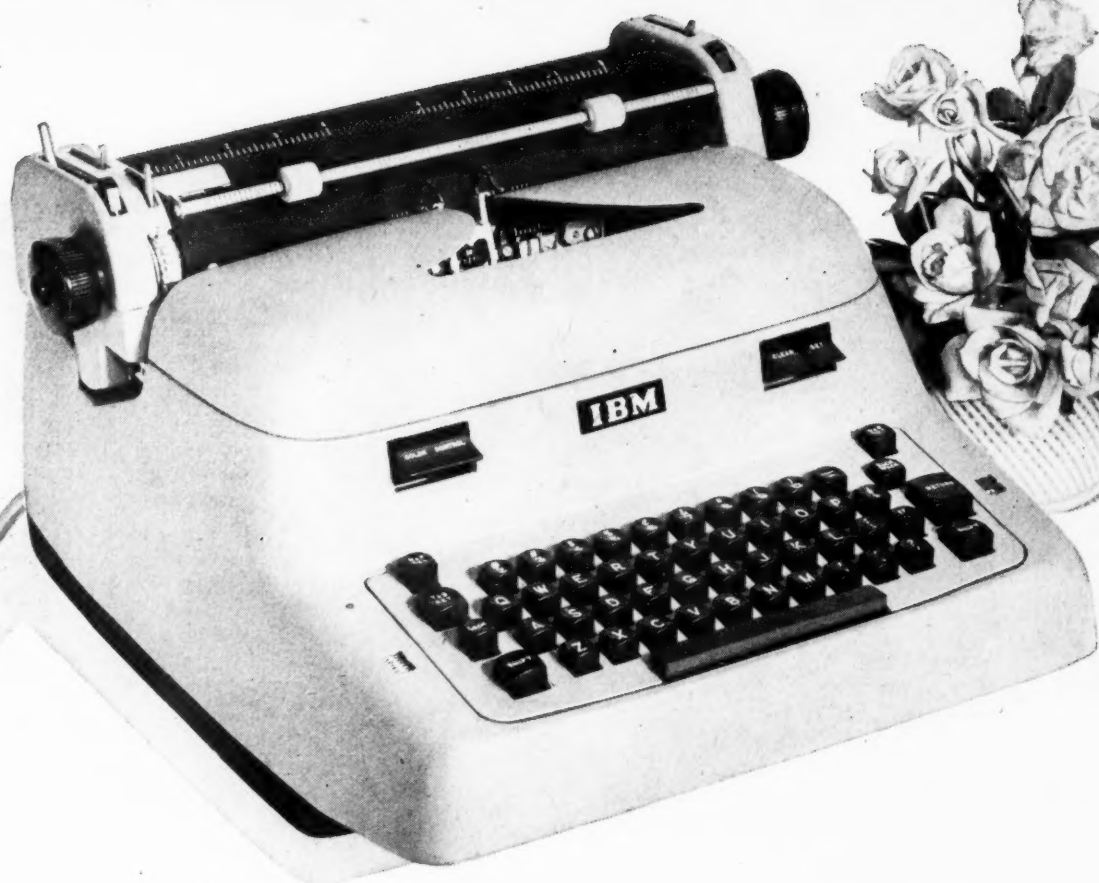
decessor boards, which in retrospect seemed clumsy to congressmen. A company that made \$1 million on one contract only to lose it on another couldn't cancel both millions, as it now will. It had to renegotiate the first. Similarly, in the old days each branch of the Service renegotiated its own contracts, so that six government men, all strangers to each other, might simultaneously pore over the same set of books. This, it's likely though not absolutely sure, won't happen again. In big cities there probably will be local boards dealing comprehensively for the Government. Perhaps new evils will replace the old.

Subcontractors Beware

Since all of a company's renegotiable business will be handled together, it must be segregated somehow on the company's books. In the case of direct contracts, this is usually easy: You set aside each contract subject to an explicit renegotiation clause put in by the Government.

No such simple scheme informs the subcontractors. The prime contractors are supposed to duplicate the renegotiation clauses as they farm out work or buy supplies. But even if they fail to attach these clauses to their purchase orders, their subs are liable. Moreover, the law covers suppliers of suppliers and those supplying them, right down to sellers of raw materials, who are generally excluded. For the Renegotiation Board this means problems. How far along these contract chains can it travel without becoming utterly unreasonable? Staff lawyers seem to be aware of the trouble for companies and of the criticism of themselves that bad decisions would cause. The solution, said to be a long way off, will appear as a series of Board regulations. Meanwhile, everybody is in the dark.

Although a subcontractor makes



Electric Typing Time

Typing is easy, fast, and "letter perfect" . . . when your secretary has an IBM!

With an IBM Electric Typewriter, she'll turn out consistently beautiful work . . . almost without effort. She'll finish her regular typing more quickly . . . have time for other important work.

Isn't it time your secretary, too, had an IBM Electric?

IBM, Dept. 55-2
590 Madison Ave., New York 22, N. Y.

Please send illustrated folders on
IBM Electric Typewriters.

Name _____

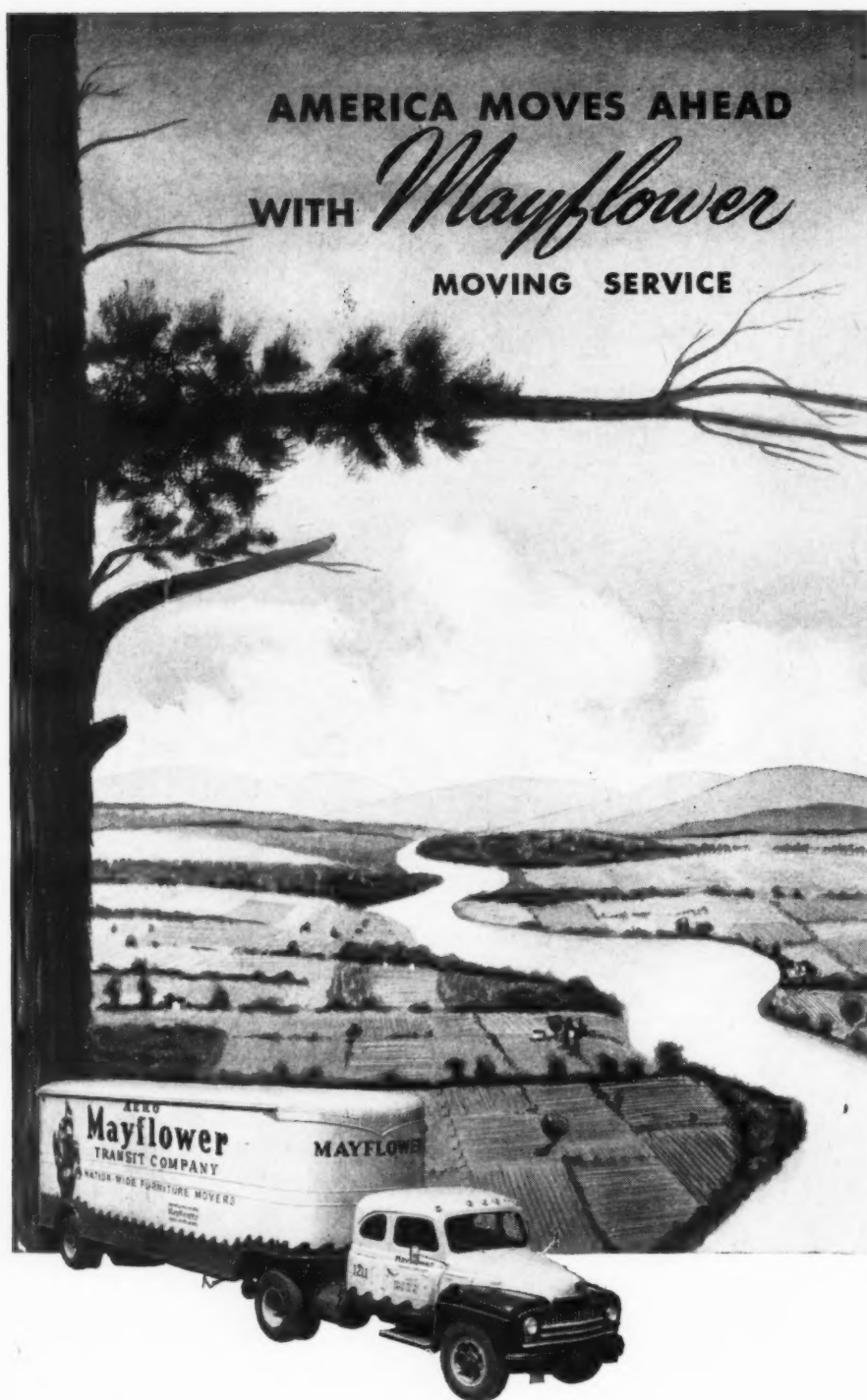
Company _____

Address _____

City _____ State _____

INTERNATIONAL BUSINESS MACHINES

NOVEMBER 20, 1951



WHEREVER YOU GO in this beautiful country of ours, the brilliant green and yellow Mayflower vans with the big red letters on the side are part of the scene. Mayflower vans travel more miles every year than any other long-distance mover, helping America move ahead in peace and in war. Mayflower is the safe, easy way to move long-distance anywhere in the United States or Canada. Try it!

"AMERICA'S FINEST"

Long-Distance Furniture Movers

AERO MAYFLOWER TRANSIT COMPANY • INDIANAPOLIS

his deal with another business concern, it's with the Government that he must renegotiate. The Board probably gets its list of subs from the cost sheets of the prime contractors. It could—but hasn't so far—publish a regulation calling on contractors to report on all firms to whom they've farmed out work. Under earlier laws subcontractors themselves had to offer their books for renegotiation; perhaps they will again.

In setting aside his renegotiable business, the contractor deducts costs. The Board accepts the same deductions as the Revenue Bureau insofar as total business is concerned. However, there's also the question, particularly with respect to overhead, of how much may be allocated to the business being repriced. This is a matter for argument. A company with a fixed scheme for allocating overhead perhaps gets the better break.

Overhead includes an allocation for institutional advertising, but not for consumer product advertising; on the other hand, business paper ads are accepted. Money paid to the Washington sales agent who secured the order may be deducted if he's a genuine, working salesman and not an influence peddler—a point on which all Government is sensitive.

More Discretion

A renegotiation officer has much more discretion than a revenue man. He judges the reasonableness of costs and their allocation, as well as several other things no revenue agent would dream of prying into. There are special discretionary allowances to companies that meet various tests which are considered to be the "very heart," as one official put it, "of renegotiation." Merit marks on these reduce the amount to be given back to Government—sometimes cut it to zero.

If you're making too much money on your Defense work, the Government will take some of it back. But "too much" isn't measured only by the return on sales. The Government also is interested in the return on capital. A small company isn't supposed to get rich on Defense work—though some have. If account were taken only of return on net worth, the affair would be pretty simple—a sort of second excess profits tax. The renegotiation man looks at this percentage and associated figures from several angles. How much of the money that you're using was borrowed from the Government? If you're mostly paying the Government till, you're entitled to less profit than

(continued on page 80)

SALES MANAGEMENT

SIGNIFICANT TRENDS

As seen by the editor of Sales Management for the period ending November 20, 1951

PEOPLE ARE SITTING IT OUT

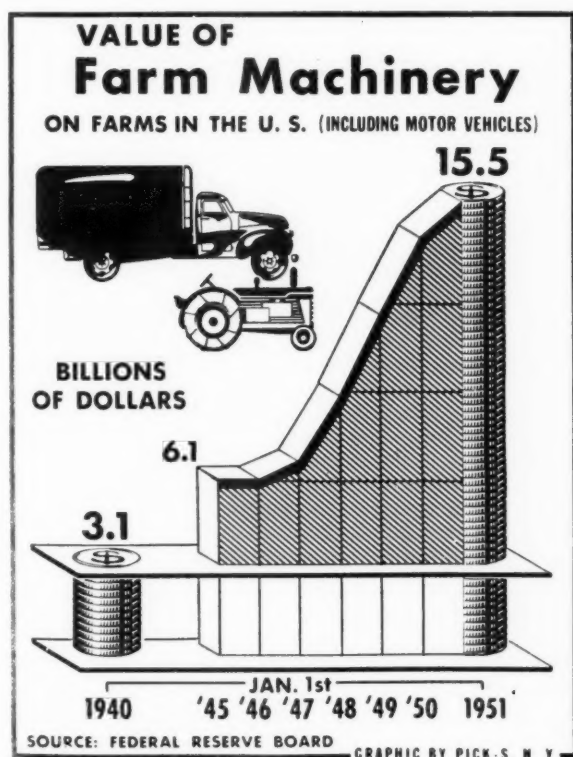
The Federal Reserve System has prepared a new index on the output of major consumer durable goods, and the figures show an extraordinary drop from a year ago. To some extent, this is traceable to National Production Authority limitations on use of metals, but even more important is the high level of inventories among distributors, retailers—and most important of all—consumers.

One of the most striking curtailments is in a field not affected by federal material limitations: we refer to carpets where production this summer plummeted to the lowest peacetime level since the mid-thirties.

Here are output figures for major divisions of consumer durables for the month of August, 1950 and 1951. The index figures are adjusted for seasonal variations and the average for 1947-49 represents 100:

	1950	1951
All major consumer durables	166	101
Automobiles	172	113
Household Goods	160	88
Carpets	109	55
Furniture	124	97
Major Appliances	144	81
Radio & Television	287	96

Our interpretation of the figures is that they show the disinclination of people to *buy*; but there is no implication that people cannot be *sold*.



To those of our readers who are followers of our first-of-the-month feature, "Adventures in Shopping," these figures will be no great surprise, for they have observed the growing wealth of evidence which proves that salesmanship at the consumer level is in a sorry state indeed.

It's too early now to tell what effect the increase in taxes may have on consumer purchasing power, but at least up until November 1, consumer savings increased consistently throughout the year and the installment credit total was dropping.

People were in a position to buy far more than they did buy, but during the lush production years of 1947 through 1950, the easiest prospects satisfied most of their *needs*, and the American selling system—stretching from the manufacturer down through the retailer—has not done a satisfactory job of creating *wants*.

And yet—going back again to "Adventures in Shopping"—if we had only half as much good salesmanship as we had before the war, present production levels would be insufficient to keep inventories at a reasonable level.

LESS NEW COMPETITION

New business incorporations during September dropped to the lowest level in six years, according to statistics compiled by Dun & Bradstreet, Inc. The number at 5,957 was the lowest for any month of the post-world-war period. The drop for the first nine months was almost 14% and was fairly uniform throughout the 48 states. In only four states of the nation were more corporations started in the first nine months of this year than in 1950, those states being Arizona, Colorado, Delaware and North Carolina.

GOOD BUSINESS NEXT YEAR?

In the opinion of a substantial majority of 128 economists polled by F. W. Dodge Corp., the nation's output of goods and services (commonly known as gross national product) will reach a new high in 1952. The economists participating in the poll come from all regions and 69 are in the fields of business, private finance or private economic services, 48 are university instructors and 11 are in government.

A continuous rise throughout 1952 in total output of goods and services is expected by 94 economists, while 34 expect a declining trend during the latter part of next year. The average of all estimates indicates an annual output rate of \$334 billion in the fourth quarter of this year and \$349 billion for the fourth quarter of 1952.

Other majority views, as of 1952, were: wages, wholesale prices and consumer prices will increase moderately

—not on a runaway scale. Industrial production will rise continuously from now to the end of 1952; construction will decline moderately but still will be of boom proportions. Readers interested in the full details will find them in the November issue of *Architectural Record*.

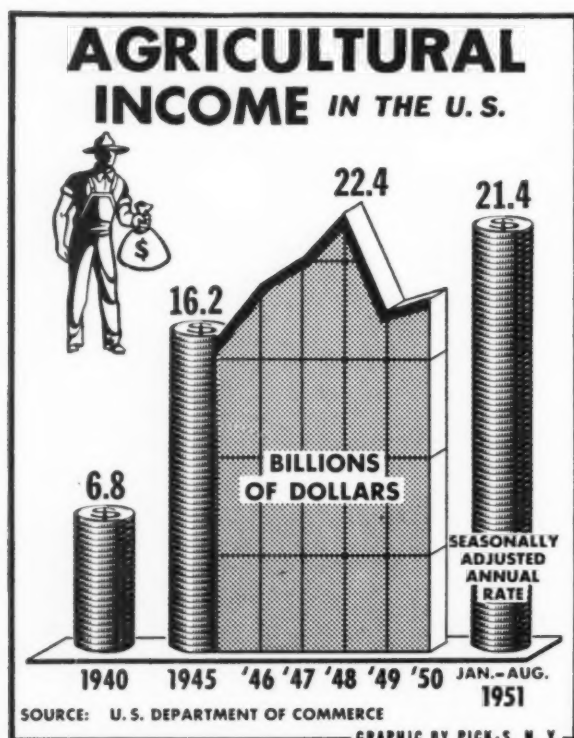
LOOKING AHEAD TEN YEARS

Economists consulted by the McGraw-Hill Publishing Co., Inc., have prepared interesting forecasts of levels for the year 1960, available in a booklet titled, "How to Market Your Output Under Today's Conditions."

The booklet contains a number of charts which indicate the growth of America during the past decade, together with crystal gazing to tell what's likely to happen in the next decade. Here are some of the facts—and the predictions:

	1941	1951	1960
Population (millions)	133	154	170
Family Units (millions)	33	40	45
Homes (millions)	36	44	51
Employment (millions)	50	61	67
Gross National Product (billions)	126	330	410
National Income (billions)	104	280	348
Disposable Income (billions)	92	225	280
New Plant & Equipment (billions)	8	25	30
Business Telephones (millions)	8	14	18
Steel Production (tons, millions)	83	107	145
Electric Power (billions, k.w.h.)	165	372	605

The publishers suggest that companies should take a "physical exam"—by putting themselves into an observation ward. "Take a history of your company's growth during the past decade, its weaknesses, its ailments, its structure. Then plot your production volume, sales or profit picture in relation to the yardsticks which may apply to your own company's figures, such as population, income, gross national product, etc."



TROLLEY-CAR DISTRIBUTION

In a challenging speech before the American Association of Advertising Agencies, E. B. Weiss, director of merchandising of Grey Advertising Agency, Inc., charged that manufacturers who stick to distributing through traditional distribution channels are guilty of using trolley-car distribution in a ram-jet propulsion age.

His argument is that retailing is becoming concentrated in a few strong hands, and with all large retailers broadening their inventories and opening one-stop outlets that cater to one-stop shopping, most lines no longer get sufficient exposure via distribution when sold through just one type of outlet—that refusing a line to a type of retailer simply because that type didn't handle the line before, compels the retailer to take on the line of the competitor and/or have the line made with the retailer's own brand on it.

He gave some interesting examples of the revolution which is taking place in channels of distribution: Camera flash bulbs before the war were sold primarily in photographic supply stores. But since the war's end, Sylvania Electric Products Corp. has added more than 40,000 retail outlets other than photographic supply stores . . . The Aluminum Goods Manufacturing Co. has broadened its distribution from department stores, hardware stores and a few specialty stores to variety chains, drug chains and food stores . . . Colgate's toiletries and dentifrices are reputed to have one-half of their total volume in super markets.

The super market and the super drug store are showing an interest in just about everything under the sun. Cannon Mills, Simon & Schuster, and scores of other non-food advertisers, are not at all reluctant or timid about using these outlets in order to achieve a distribution that will give their advertising that much more room in which to work . . . For years Mead, Johnson & Co. sold Pabulum and Pabena only through the drug store, but now they are available through food brokers.

GREATER INTEREST IN SPORTS

A study of the Kansas radio audience of 1951—the 15th consecutive study conducted by Dr. Forest L. Whan of the University of Wichita—shows relatively little change over a five-year period in the degree of interest manifested in various types of broadcasts—with the single striking exception of sports broadcasts.

Investigators asked each man and woman in a radio-equipped home: "Of the 16 types of programs listed on this card, which five do you like best?"

In 1944, 24.4% checked sports broadcasts. The figure jumped to 29.2 in 1948, dropped slightly to 28.7 in 1949, increased to 33.8 in 1950 and 36.7 in 1951.

INDUSTRIAL SALES CHART

The monthly sales charts now have their own back-of-the-book spot. For the latest on inventories and sales of industrial goods, see chart, page 79.

PHILIP SALISBURY
Editor

SALES MANAGEMENT

Why Top Management's Key Policies Stem from Sales at Schilling

Instead of making products to match historical patterns or "guesstimates"—and hoping to sell them at a profit—A. Schilling & Co.* reverses the procedure. Everything starts with a kind of perpetual inventory of customer demand. These are some of the dividends that come out in this practical and realistic management point of view:

1. Lower costs are achieved because the factory is never producing goods for which there isn't a known market.
2. Lower inventory investment is required because turnover is fast.
3. Risk is lessened because management continuously has a finger on the pulse of the market, is up-to-date on the activities of competition.
4. Better teamwork emerges all along the line to produce improved coordination of manpower, sales policy, merchandising, advertising.

As told to Elsa Gidlow

BY JOHN D. MILLER

Executive Vice-President in Charge of Sales • A. Schilling & Co.

As we see it, the manufacturing, purchasing, accounting, and advertising departments are all service departments whose functions are to provide the kind of support that will enable the sales department to do a good job.

We feel that a plant cannot produce, its offices cannot run—in fact there are no jobs—unless the sales department makes the sales that bring the money in. There's no value in a factory full of merchandise which is not being, or cannot be, sold.

Since the sales department has the responsibility for developing sales volume throughout all territories, it should have the major voice in saying how this development is to be achieved. If it is doing its job effectively, it is in the best position to know what products are the most readily salable — what, in short, should be offered to the consumer.

Because we hold this view, A. Schilling & Co. is run by a Sales Executive Committee. It is assisted from the field by a Sales Board. The Executive Committee is comprised of the president of the company, Clarence Miller; the executive vice-president in charge of sales, John D. Miller; vice-president and regional sales manager for San Francisco, Seattle

and Portland Division, R. C. Crampton.

The Sales Board is made up mainly of sales division managers and head salesmen. It has no sales officials or executive sales personnel. It works with the Executive Committee in ways that will be shown.

The Executive Committee: (1) Sets all sales policies; (2) passes on all sales applicants (after screening by head salesman or division manager); (3) has final approval on package design; (4) has the last say on all advertising, store display material, radio or television programs, demonstration ideas and other promotional projects. The Executive Committee meets as occasion requires—sometimes each day. It works closely with heads of production, purchasing, accounting and advertising.

The Sales Board meets twice a year to present any new recommendations on (1) policy; (2) packaging; (3) advertising, and (4) to discuss products (proposals to bring out new products or discontinue old ones, or to consider data on competition); (5) to make suggestions pertaining to actual work in the field by the salesmen.

The recommendations by the Sales Board must be unanimous. They are

presented to the Sales Executive Committee for review and final action.

The Sales Executive Committee is completely pragmatic. It works with facts. It gets its facts through the closest check of sales we know how to make. A brief description of how this is done is necessary for an understanding of the workings of our system of management.

Our sales records are kept according to the major items we produce: coffee, tea, spices, extracts, dehydrated vegetables, insecticides. They are on the ledger under those heads and in the sales books in the same way. In the sales book there is a sheet for each major product, and a cumulative sheet. These are kept by individual territories; by head salesmen's groups within a division; by divisions. Then there is, of course, the over-all total. The head office sales book is brought up-to-date each month, showing monthly sales and then cumulative sales; increase or decrease by items, and comparison with same month of the preceding year. The forms illustrated will make all this clear.

Record Procedure

Each division manager has an identical book. As soon as the monthly figures are compiled at the head office a carbon copy goes out to the territory concerned. Thus, the Los Angeles Division, for example, receives copies of all sales figures and comparisons pertinent to its area.

Each day when billings are completed by the head office accounting department, the president, executive vice-president, and accounting department receive a record, with items arranged according to major product designations and showing day-by-day comparisons with the same month a year ago and also on a 12-month running average. Thus, each day, a day is added and a day dropped.

These figures show at a glance whether sales are going ahead or lagging on any one particular product. Equally important, they reveal the trend fast enough for action. For ex-

*A. Schilling & Co., San Francisco, is the western division of McCormick & Co., Baltimore. It operates practically as an autonomous unit.



THE LAST THREE FEET: The retail display, the package, the product and all the other problems in producing salable foodstuffs are formally studied twice a year by Schilling's Sales Board and sometimes as often as every day by the top Executive Committee. Sales has leadership responsibility.

ample, if any particular group (coffee, tea, spices) is in greater or less demand generally or in a given territory, we can immediately check back on the individual items and start to manufacture to pick up the slack if there is a sales surge or, if a slump, slow up and pull the inventory down.

Sales Sets Output

That isn't all. Each month the executive vice-president receives a report of the total number of pounds of spices (or tea or coffee or extract, etc.) sold, broken down into all of our different spices and different sizes of packages. So, if vanilla sales are ahead, we know if the one-ounce, two-ounce or four-ounce size has taken the lead.

These figures are used in drawing up production schedules. They are the bases for ordering raw materials, cartons, labels, etc. and they help us in projecting our sales on each individual item for 12 months in advance.

In the case of the last, that projection, made up in the production schedule department, is based on the past two years' figures on each particular item, and on current market conditions. Before a sales projection becomes official, it must be approved by the executive vice-president in charge of sales. It is subject to revi-

sion upward or downward every 60 days.

Originally, the data needed for our system of sales control were taken from copies of orders shipped and billed from our 10 warehouses and from San Francisco. It was a hand job. We now use IBM equipment which enables us to speed up the process. We are now getting reports out each week. They indicate the total amount of merchandise by item and by cases packed and delivered from each warehouse and from San Francisco, giving us a running inventory, covering not only San Francisco, but the 10 outside warehouses. Thus we keep track of inventories in relation to production. There are fewer opportunities for error.

The greatest gain from the change to IBM is that we now have a far closer check on sales. What formerly took 10 days now can be handled in about four, giving us the facts that much faster. So we can work with an even lower inventory, turn stock faster, and operate with a minimum investment.

The next big advantage we find in our system of making the sales department directly responsible for the operating details of the business is in knowing what products will be most profitable and most acceptable to the market. It is our policy to eliminate any items from stock which are not readily salable. On the other

hand, if we know it—and we try to know it—we never manufacture a product unless it can be sold throughout our entire territory. We will not handle anything that is sold only to a special or limited market.

Sales department field surveys and the system of sales control and reporting described above provide the facts. The decision to introduce a new product is based on exhaustive use of the first and checked as exhaustively by means of the second. For example, in 1936 we were working on a blended seasoning for which our study of the market indicated there should be a demand. It is a blend of 13 spices, salt and pepper. It was the sales department's baby. We knew from our field surveys that there was a place for it on the seasoning shelf. It was introduced in September, 1936, as Schilling's Savor Salt Seasoning, and put up in a three-ounce glass shaker suitable for use on the table. It was packaged and priced the same as our Garlic, Onion, and Celery Salts, which had been stand-bys in the line for years.

When we place a new product on the market we immediately supply our salesmen with samples and normally have them send in daily reports on how much is sold by the stores they call on over the first 30- to 60-day period. After that, our sales checking is done by the standard method described above.

Salesmen as Researchers

All our information from the field is obtained by the salesmen in the process of making their regular calls on individual stores. To be sure of getting the information required, in uniform shape from all of the men, we use standard forms provided from San Francisco. Each man is asked to fill in one form for each store he visits in a day and to mail them the same evening. Our salesmen call on every dealer at least once in 30 days and therefore they can have a survey made among all dealers in any one month.

When the total results from a survey such as this are compiled, we really have something to go upon. The information called for on a product or products may include—together with any specially needed data—prices, shelf position, display, movement of item. In some cases the same data may be asked for on a competing product or products. A new product is checked mainly on sales, but other information may be required.

With the aid of such a survey plus the standard follow-up, it did not

take us long after Savor Salt was put out to determine that it was being well received, not here or there, but consistently in all of our territories. In its decade and a half on the market it has grown to rank with a standard item such as pepper, which means that it enjoys full distribution. In the meantime, at least 10 companies have brought out items similar to this one which we pioneered. In 1947, following our merger with McCormick & Co., it was taken on by them for eastern distribution.

Another item we pioneered was coarse-ground black pepper. When our field checks showed us that consumers were buying quite a lot of the whole black pepper to grind up at home or at the table in their own little mills, we tried putting up the coarse-ground black pepper in glass for those who liked the stronger flavored pepper. This was in 1939. It, too, was very successful and has become a standard item.

Dehydrated vegetable flakes were first introduced on the market in 1938 or 1939. Our production of this type of item was not begun until three years ago when the research of our salesmen and the studies by our Sales Executive Committee convinced us that it was readily salable in all areas and that it had an established market.

Alert to Failures

An alert sales department is as keenly concerned with the continuing growth in sales and distribution of an old product as with the reception of a new one. Perhaps more so, for the old ones can be either the backbone of the business or dead weight. The manufacturing department, looking only at production figures over the past years, may feel that an item should be continued in the line, whereas the item may be steadily declining in consumer acceptance. Many a sales manager knows the woes and conflicts and wasted effort this brings. There are other factors to consider. An item may be worth its weight in silver and have medals of honor and a long and honorable sales history and still be slipping. It may slip gradually over a long period and no one will notice that it is becoming steadily less profitable to the business.

Schilling had such a product—but the signs of its decline were quickly noted because of our day-by-day sales checks and comparative figures. Since this company produces for sales, instead of having to sell what is produced, the product was dropped—with regrets, perhaps, but no conflicts.



WHEN SALES SET POLICIES: "It may seem to some that by putting selling at the top and production last we are standing our business on its head. By older standards, no doubt we are. But we believe—and the sales records bear us out—that we have set it on its toes"—John D. Miller, exec. v-p.

The item was a pure cream of tartar baking powder. We were one of two companies that, prior to the war, packed such a product. We had manufactured it for over 50 years and had reason to be proud of it. In the late 1930's a five-pound can of it was dug up in one of the old gold camps in Alaska. It had been buried in debris since the Alaska Gold Rush at the turn of the century. The ancient package was shipped back to our San Francisco office. We made a batch of biscuits with it. It turned out to be as good as the day it was packed.

On the fact of it, a product such as that would seem to have a future as well as a past. But our sales records told us otherwise. The reason was price, and there was nothing that could be done to make it competitive with alum phosphate baking powders. Pure cream of tartar is, of course, a by-product of wine-making. Prior to the last war we could import very fine argols (or dried lees) out of which most tartaric acid and cream of tartar is made, from France. A certain amount was available in California. But in the 1940's the price was so high in comparison with the alum phosphate product that housewives were by-passing it. The sales records showed demand growing smaller and smaller. In 1946 we discontinued it and turned that part of our plant over to other items.

These illustrations demonstrate why we say that we produce what the Sales Department knows is salable and can be sold at a profit. Pricing, packaging, advertising, promotion, in our opinion should be geared just as closely to sales and are by Schilling. The good results that ensue from this approach already have been described in this magazine.**

At first glance it may seem to some that by putting selling at the top and production last we are standing our business on its head. By older standards, no doubt we are. But we believe—and the sales records bear us out—that we have set it on its toes . . . where we hope to keep it.

**See "New Attacks on Old Sales Problems Lift Volume 120% for Schilling," SALES MANAGEMENT, June 15, 1951, page 37.

Coming . . . Why Buy Now?

Parker Pen, seeking an idea that would lift dealer volume in the off-season, finds the answer in free trial offers. Dealers had such thumping success with it that it has spread like prairie fire.



PRESIDENT FRANTZ has dictated a letter to her once a week for over seven years . . . now he inducts her into the firm's Loyal Service Club. Fifteen-year members get certificates and pins. Twenty-year

members get wrist watches. And twenty-five year workers are awarded a check for \$500 and an extra two weeks vacation each year. This salesman turned president knows values of "inside" selling.

Factual Letters from the Boss Nurture Employee Harmony at Apex

Grapevine reports of unfounded rumors and distorted facts never poison management-labor relations because President Clarence G. Frantz personally sees to it that his business family gets the news straight, and gets it first.

Facts, good or bad, help to keep 3,000 employees at Cleveland's Apex Electrical Manufacturing Co. informed, cooperative and off the picket line.

Unvarnished information about the company and the appliance industry has been given to all personnel without fail for more than 400 consecutive weeks in the form of a one-page letter dictated by President Clarence G. Frantz.

This alert pilot of a steadily growing \$30,000,000-a-year company making vacuum cleaners, washers, ironers, dryers and disposals, says the idea

may sound naive but it works.

Frantz knows a lot about human beings, having started to sell his own vacuum cleaners door-to-door back in 1912. He is also a self-made engineer with plenty of practical shop experience—and older employees know it. New ones soon learn to trust him from these letters which, he insists, must be sincere. He stresses their cumulative importance and adds: "It is well recognized that much information relating to company matters reaches employees in garbled, inaccurate and often intentionally misleading form with understandable results.

"Bulletins, house publications and similar means of transmitting information surely have value but lack warmth or personal touch, being usually written by persons not in a position to fully discuss subjects of most interest to employees."

Frantz says a need for better relationship, following a "most unnecessary" strike in 1938, led to plans for a weekly letter. It was personalized to the extent of being written and signed by him as top executive and the one best qualified to convey pertinent messages to employees in a "reliable manner" which would promote maximum understanding and confidence.

Each Wednesday for over seven years, a single sheet multigraphed on the company letterhead has been at-

BY JOHN E. BRYAN

SALES MANAGEMENT

tached to time cards or placed on the desks of all employees. For economy and to avoid possible objections, the letters are not mailed to homes, although they are usually read by workers' families when they are taken home.

Mr. Frantz dictates each letter himself and does not ask other executives' advice. He says "I want it to be me talking." He then checks the results with his secretary to make certain she understands each sentence.

Through the years almost every possible subject relating to the Apex business has been covered. As Frantz puts it: "Without politics, propaganda, or pressure, the good news and bad news, financial results, business trends, personal opinions of top executive, policies and matters of current interest reach employees before being publicly announced, thus arming them as to their own welfare with basic knowledge emanating from a source they have learned to trust."

Course in Economics

Without realizing it, most Apex employees have had the advantage of a course in business economics through these letters. They show their appreciation of a better understanding by willingness to coordinate efforts to accomplish Frantz's goals.

Groundwork is thus laid to occasionally say "thank you" or make successful appeals, because Apex employees have learned to respond with the pride of fellow workers, having knowledge of requirements as recognized important members whose efforts will be appreciated.

Further, the three unions represented in Apex shops appreciate the letters because they give information which helps them to simplify negotiations. Ted Mills, president of A.F. of L. Machinists Local 1130 says: "The letters don't take the play away from us. They help us in our planning." He adds that 98% of employees read Frantz's letter and that "the other 2% can't read."

A spokesman for the A.F. of L. district council says: "We don't have the friendly relations with the average company on the electrical circuit that we do with Apex. The letters go a long way toward better understanding and teamwork."

An Apex machinist asserts: "The letters tell me what's cooking in the appliance industry. When Mr. Frantz gave us the company's earnings report before anybody else got it, I had the feeling he thought more of us workers than he did of the dividend boys."

Observing adverse reactions from another department, Frantz says with a smile: "Sometimes I get hell from the sales staff for discussing our problems along that line, but my claim is that it pays off in the long run. By telling the plant employees even what your sales headaches are you further develop a reputation for frankness and increase confidence."

He reveals that when he first discussed his plan for the letters with the board of directors those gentlemen were quite fearful. However, there have been no kicks from that quarter as production and sales have been unhampered by strikes, and profits have approached as much as \$5,000,000 in a good year.

Recently discussing consumer resistance and what he proposed to do about it to keep Apex at full employment, Frantz wrote in his letter of August 15:

"The business world continues to

As long as there is such a thing as selling there will be rich rewards in cold turkey prospecting. There is no surer way of making sales than to open doors.

—How to Use Your
Selling Power
By Walter Horvath

be a strange mixture of extraordinary activity and prosperity of one large group of firms, while another group is struggling with most difficult problems because of drastic reductions in volume of sales.

"Current advertising in newspapers and other sales appeals of an exceptional nature bear evidence of the hysteria existing in many companies that have found their sales markets almost completely closed during the past few months."

After giving his reasons for why there has been a drop in demand, especially for consumer durable goods, Frantz concluded:

"We are told the coming months will change all of this and shortages will become realities very soon. Well maybe so, but it appears the only cure in sight is to take a more active part in defense and related work that has already carried many companies now engaged in that effort to unbelievable heights of output and employment.

Apex is working in that direction with all speed possible and is nearing the time when capacity operations are anticipated."

When things slumped in the industry and while Frantz had to convert heavily for defense work, his letter stated the facts bluntly:

"We have already felt the impact of government restrictions by having to cut production schedules 10% to 20% with more to come in succeeding months. This has necessitated a temporary layoff of perhaps 7% of our workers and I am fearful some additional cutback must be faced."

When employment was on an almost 100% basis again, a recent Frantz letter said:

"Preparations for manufacturing these highly specialized articles in providing tooling and facilities have consumed seven or eight months and only now are arriving at the first step of completion. October will see substantial shipments with increases monthly thereafter to total about 50% of our factory output by January, unless delays are incurred beyond our control."

The genial manufacturing leader points out that considerable time and grief have been saved in union negotiations—thanks to the letters.

Union leaders say the letters help them to conduct their affairs more efficiently "because ours is a selling job" with the need to sell labor's position to management and vice versa. They add that Frantz's letters help "take the guesswork" out of negotiations because union members appreciate the company's position much better than at most other concerns. At the same time employees realize there must be limitations on what they ask.

Well Informed

Frantz says that when his letter program was in its early stages he was often surprised to find how well informed the workers' families were about the company. This he learned from remarks wives made at funerals, during sick calls, from letters and from questions directed at him in the plant.

A closer relationship, Frantz believes, brought about an incentive pay system at Apex which has made the company nationally known as a forward-looking, progressive enterprise. The unusual policy of having union-appointed time study men set operating standards was established and has proved highly satisfactory.

When asked if any executive could carry on his letters in case of his death or long illness, and if this was

a weakness in his program, the executive admits frankly that so personalized a plan might have its defects but that he believes his successors would carry on in the same spirit with the good groundwork laid.

The chief of Apex, which also produces Montgomery Ward's name brand household appliances, summed up this spirit a few years ago in one of his letters to employees:

"Quite often I am asked why I give out so much information in regard to operations of our company through these letters, especially when it is not favorable and could be suppressed. Yes, this is true. We could release only good news and many people would never know the difference but everyone in our organization un-

derstands what our policy is in that respect and I believe knows the reason for it.

"These letters, with few exceptions, go to our own employees, and I figure men and women who have devoted the working portion of their lives to Apex interests are entitled to know what goes on so that they can decide for themselves, on the basis of these facts, what is best for their welfare with opportunity to act accordingly.

"There is a selfish motive in this policy, too. In my experience in the operation of business I have found that people are most anxious to cooperate if they know in what manner they can help—and how can this happen if information is not given.



When the Hotel Won't Move the Bed

As far as Resistol "Self-Conforming" Hat salesmen are concerned, crotchety hotel managers can cling to their no-move-the-bed tradition in sample rooms. Exactly 14 of the hats pictured above, plus hat boxes, standards and display cards, are arranged with all the showmanship of a window display—atop the bed.

Manufacturers' salesmen, who need all the available space in presenting merchandise in hotel display rooms, but have heretofore overlooked the bed as a display angle, might take a tip from Resistol Hats, Inc., Garland, Tex. The firm makes use of a collapsible table which, when opened, completely covers the bed. Thus the bed space becomes a show surface of 7 x 9 feet—about the size of an average window surface display. The table, hidden by floor-length covering, can hold 1,000 lbs.

How to Sell Carrots Without the Tops

An old housewives' tale is yielding to the needs of mass marketing.

History. When tender young carrots were in season, farmers, serving nearby markets, bunched them with the tops.

When California truck growers began shipping tender carrots all year round to distant markets, the tops were left on. A trade and consumer belief grew up that carrots were not young, tender, unless sold with tops. Today, thousands of cars of carrots are shipped yearly.

The Problem. These carrots need larger crates, and fewer crates can be loaded in a car; now with rising freight rates there is a serious cost item. Experiments have proved that tops have no connection with quality, but actually steal moisture from carrots in transit. Tops add a labor cost for the trade in handling crates, and for the retail grocer, who cuts off tops as soon as the housewife has purchased them, and then the grocer must dispose of them as garbage.

Suggested Solution. Since the housewife is firmly set in her belief that carrots must have tops to be sweet and tender, consumer education has been suggested.

Partial Solutions. Growers and shippers have developed the "snapped top" carrot, with a couple of inches of green left on. Some crates are packed in cars with full top packs.

Other cars are packed with some fully shorn carrots, about one crate in 10. The trade finds sale for them, but this is slow education and bulk carrots must be weighed. To overcome this handicap bulk carrots are being packed in transparent bags. These permit printed brands, recipes and sales talk about quality.

Chink in the Armor. These partial solutions have led to the real point of attack—the chain groceries and the vegetable re-packer.

Carrots with tops do not lend themselves to display, and cost money for labor in selling, topping, bagging. The chains are discovering that bulk carrots in transparent bags, often with their own brands, can be made just as popular with the housewife.

SALES MANAGEMENT



What could be more comfortable than to train while sitting on the product you sell?

Why We Believe in Retail Sales Training

It helps the maker of Duran all-plastic seat covering material to lick four basic sales problems. If the training job looks too tough, take heart from this experience.

BY J. ARDELL SHADLE
Sales Manager
The Masland Duraleather Co.

Retail apathy and lack of product knowledge can choke product sales. But Masland's training presentation goes right to the point-of-sale with selling points that spur salesmen's interests in pushing Duran all-plastic.

Manufacturing, research and development give a product value. Advertising moves it toward sales. These are essential investments, and fine as far as they go . . . but how far *do* they go? Often smack up against a road block of retail apathy. Here, a product can resemble an automobile minus its steering mechanism . . . plenty of motive power but no maneuverability.

How can a product be given this essential maneuverability? The an-

swer for Masland Duran all-plastic upholstery covering was the manufacturer-planned and developed Sales Training Program. The program was not merely a catalog of product virtues but up-to-date product *facts* presented in such a way as to stimulate the interest and enthusiasm of the retail salesman.

Few products lend themselves more readily to this cultivation of interest than all-plastic upholstery. It's young. It's modern. It arouses the interest and attention of the homemaker. She wants to know what it is, how well it will stand up, and how to keep it clean and colorful. She asks the retail salesman. It is at this point that a product's sale can halt at the road block of indifference or bog down in a pitfall of misunderstanding.

Planned to overcome these twin dangers on the retail front, our Sales Training Program grew out of Dur-

an's marketing problems. They were:

1. The necessity of preventing Duran's loss of identity in "end" use.
2. Overcoming consumer tendency to use the name "Duran" generically because Duran, as the pioneer, is strongly identified with the term "all-plastic" upholstery.
3. Entrenching Duran firmly as an individual product on its own merits—not as a substitute or novelty material.
4. Emphasizing Duran furniture covering by accenting its "at home" look in any room setting.

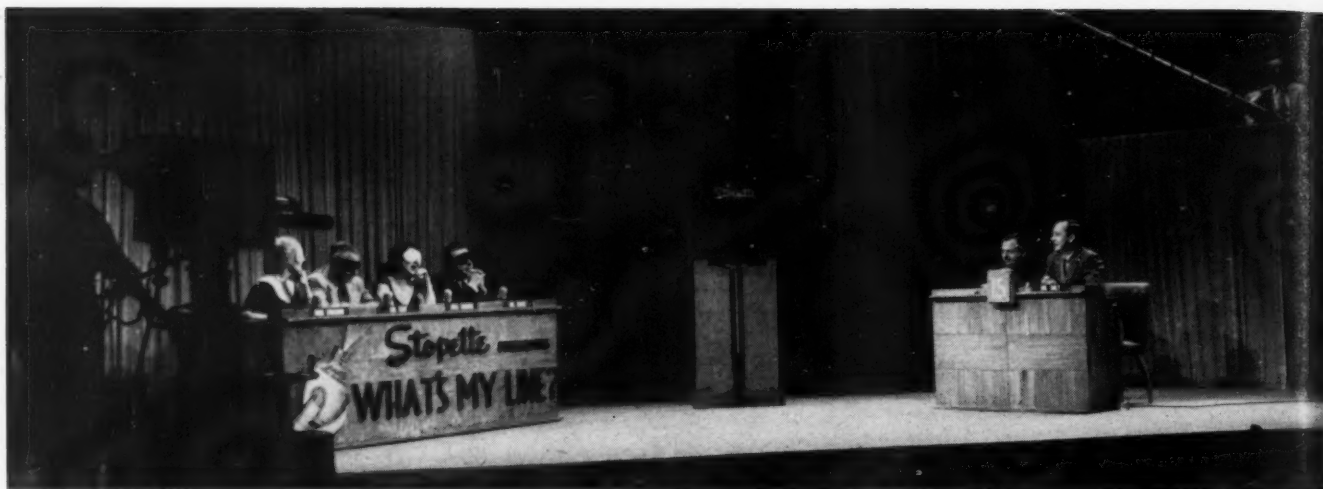
With the program's basic aims established, we wanted to know if it was "on target" for retail cooperation. An extensive survey of furniture and department stores showed that it was. Buyers and merchandise managers enthusiastically gave us the green light. They not only wanted such a program for their sales personnel but they volunteered information and suggestions to be incorporated in it.

Launched in December 1949, the program consisted of a series of Kodachrome slides shown on a 35 millimeter slide projector and coordinated with recorded commentary. This method was selected because it permitted adding slides to adapt the program to each new Duran development. Showings lasted about 20 minutes and were followed by question-and-answer periods set by each store. A representative, carefully indoctrinated in Duran's selling features, was on hand to answer salespeople's questions and to arrange for follow-up promotion of the product.

Elements of the presentation included an explanation of the physical make-up of Duran, its many advantages, display suggestions, the use of the Duran tag as a sales tool, and information on the tie-in opportunities offered by our national advertising.

To date 500 showings have been conducted in top retail stores all over the country. Seventeen thousand copies of the booklet titled "Duran Selling Power" have been distributed to retail salespeople.

Some of the biggest names in the retail field have set up separate departments of Duran covered furniture. A recent survey of 26 major cities made by the Advertising Checking Bureau reveals that Duran outscores its nearest competitor 12 to 1 in independent retail advertising mention. Another independent survey of 116 furniture departments shows that Duran covers 53% of all furniture on the sales floor. This is more than all other plastic coverings combined in these stores.



When you're bankrolling a \$900,000 television show you ought to know the pay-off . . .

Stopette Reveals Market-by-Market Relation of TV Costs to Sales

Mathematics-minded Bill Wright sums up 1951 performance to date:

1. For TV areas: The average sales increase is 157%; the average advertising cost increase, 121%.
2. For non-TV areas: The average sales increase is 48%; the average advertising cost increase, 8%.

Here are some challenging ideas on media selection, market analysis, quota-setting, and operation of a sales force.

Based on an interview with WILLIAM A. WRIGHT
Vice-President and General Sales Manager, Jules Montenier, Inc.

When Jules Montenier, Inc., Chicago, manufacturer of Stopette, put aside an appropriation of \$900,000 for television advertising in 1951, management decided to maintain a careful continuing record of costs and results. It wanted to know what TV was doing, month by month, not only

to sales but to dollar advertising costs, over-all and city-by-city.

To get anything like a true picture management felt it would have to make similar checks in non-TV areas . . . and this was done meticulously. According to latest available figures for 1951, Stopette's over-all

sales results are:

1. For TV areas: The average sales increase is 157%; the average advertising cost increase, 121%.
2. For non-TV areas: The average sales increase is 48%; the average advertising cost increase, 8%.

Stopette was an infant as recently as 1947. Its father was an idea and its mother a bottle. It was nurtured on fast and daring promotion. The bottle was, and is, a collapsible plastic container that throws out a spray when squeezed, as no doubt everyone who can read, who listens to radio, or watches TV, knows by now.

William A. Wright, vice-president and general sales manager, a math shark in his college days, has carried statistics and figures a considerable way in the promotion of Stopette, as this article will show in its unfolding. More . . . he thinks, he says, that a sales manager goes to bat with two strikes on him unless he is figure-minded. He butters his own statistical work with logarithms and equations.

Mr. Wright's equation for arriving at what he calls TV percentage costs, station by station, is this:

"There are several component parts in the formula. We will de-

scribe each briefly before putting the parts together:

"1. The talent costs us XXX dollars a week.

"2. We spread that over all TV cities on the basis of each city's percentage of the '% of U.S.A. Potential' as given in SALES MANAGEMENT'S *Survey of Buying Power*, or by the percentage which differs from the SALES MANAGEMENT *Survey* potential as determined by actual sales and shipment experience. We use the 'Metropolitan County Area' percentage in each case. Taking the '% U.S.A. Potential' figures from pages 130 (May 10 issue) and following, we find that our TV network cities (areas) have a total of ???%. Then we determine the % which each individual Metropolitan County Area has of that group-market total.

"3. The other components are: (a) time cost per week; (b) number of weeks; (c) net dollar shipments to the city and its Metropolitan County Area.

"Then these factors are combined into the formula:

"1. Talent cost multiplied by that proportion of '% of U.S.A. Potential' which a given TV city bears to the similar figure for all our TV markets.

"2. To the resultant figure we add time cost per week.

"3. Multiply the new figure by the number of weeks.

"4. Finally, we divide the figure in '3' above by the total of net dollar shipments to the Metropolitan Area during the period.

"One of the things that we have turned up beyond a shadow of a doubt is the fact that people's tastes vary widely in different cities and geographical areas so far as programming is concerned, therefore audience acceptance, spot by spot, is one of the prime hazards in television. Through careful checking we know that what 'goes' in one area will fall flat on its face in another. Take for example, Stopette's own show, 'What's My Line.' (CBS-TV, Sunday 10:30 P.M.) An independent report made recently by an outside agency indicated that it was the No. 1 show in Columbus, O.; No. 5 in Detroit, and No. 9 in Philadelphia. This pattern was repeated down through all the cities reported on. We find, further, that similar city-by-city divergences in program taste dog other programs as well.

"Our figures indicate to us be-

yond a doubt that units sold closely follow audience appeal, that TV advertising can be expensive or economical, depending on audience interest in the program offered, and that any company buying television cannot afford to ignore all the factors involved."

To illustrate his point, Mr. Wright reveals actual figures from Stopette's records. They cover the first 22 weeks of 1950 and 1951 for purposes of comparison. TV in the following stands for television expenditures, as worked out for each area for the period; S stands for shipments of Stopette for the same period. The figures:

City	1950	1951
City A -----	TV: \$ None S: \$5,445.51	TV: \$10,183.50 S: \$22,242.28
City B -----	TV: \$ None S: \$ 811.02	TV: \$ 5,204.69 S: \$ 8,959.74
City C -----	TV: \$ None S: \$9,275.30	TV: \$ 5,421.86 S: \$16,956.07
City D -----	TV: \$ None S: \$6,328.91	TV: \$ 5,751.86 S: \$16,249.40
City E -----	TV: \$ None S: \$3,264.44	TV: \$ 4,701.86 S: \$10,623.49
City F -----	TV: \$ None S: \$3,699.13	TV: \$ 5,091.86 S: \$14,094.52
City G -----	TV: \$ None S: \$ 821.52	TV: \$ 3,205.95 S: \$ 1,293.80

For purposes of evaluation and to attain an estimate of the impact of other advertising media, Mr. Wright has compiled statistics on the sales of Stopette in a group of non-TV cities. Here are the figures, selected to give a fair cross-section picture:

City	1950	1951
City H -----	S: \$10,737.36	S: \$ 8,906.03
City I -----	S: \$ 6,929.61	S: \$14,184.16
City J -----	S: \$ 5,331.35	S: \$ 7,806.98
City K -----	S: \$ 1,494.68	S: \$ 4,198.86
City L -----	S: \$ 4,558.06	S: \$11,758.45
City M -----	S: \$ 1,486.83	S: \$ 1,750.49

Out of 20 non-TV cities checked in this manner, four showed a drop in sales for 1951 as compared with 1950. The biggest falling off in sales for any city was 22%; the biggest gain, 292%.

"Any manufacturer who takes the trouble to spot-check his sales against his TV costs, city-by-city, will find that he can arrive at actual results per dollar spent closer than he can with any other accepted advertising medium," Mr. Wright maintains. "This is because his station coverage is sharply defined, being limited to some 75 miles radius. It is fairly simple for him to find out the number of advertising dollars that go into that circle and the number of sales dollars that come out.

"I believe it is far more difficult to check the results of individual radio stations, or newspapers, for dol-

lar results because usually their field is larger, which means that the analysis of shipments into the area becomes more involved and intricate. In our statistical-wise research we have learned some other things about the influence of TV on sales:

"1. There is a fringe area around each TV station, beyond reach of its telecasts, where sales definitely go up. Why, I do not know. The reason can be anyone's guess.

"2. Where two TV cities are close together and competing station areas overlap, sales increases cost more money. In other words, doubling up in telecasts doesn't mean doubling sales.

"These are among the reasons why I believe a sales manager will do a better job if he becomes acutely aware of the value of statistics and figures."

By the same token, Mr. Wright seeks to make every Stopette sales representative figure-conscious. At the beginning of the year each salesman receives a portfolio which clearly describes all policies, promotions, chronological advertising schedules and presentation approaches, and contemplated changes or additions, to serve as a guide during the calendar year.

The portfolio carries descriptions and illustrations, or glossy photographs, of all sales aids necessary to them in their work. They may include window and counter display pieces, window streamers and banners, jobber catalog sheets, price lists, statement inserts and suggested store window displays.

In addition to this—and of equal if not greater importance—are statistics taken from what Mr. Wright contends is an intelligent average between the product's potential, based on past experience and the statistical information presented by SALES MANAGEMENT'S *Survey of Buying Power*.

Each salesman receives a typewritten and verbal presentation personally from Mr. Wright, stating the exact percentage and net dollar amount of business he can and must accomplish *each specific month*, in each state, in each county, in each metropolitan trading area, in each city and town of more than 25,000 population, in each type of account throughout each state, and from each specifically named account (wholesalers and retailers) in each city of more than 25,000 population.

The quotas for individual states, counties and cities are determined in many instances *only* by accepting the published SALES MANAGEMENT B.P.I. figures (May 10 issue). In

most instances there have been slight to small deviations in arriving at the set quota. Such deviations were, and are, the result of a mean average between SALES MANAGEMENT's figures, company figures of actual past shipments, and the judged capabilities and intelligence of the territory salesman.

Each specific account is judged on past and future potential performance. Specific approaches, promotions and drives are prepared for each one, and so delivered to the salesman together with, as always, a clear explanation of *why* the company is doing it in a specific manner.

At the end of each month each salesman receives a clear report of what he and each other salesman have accomplished by state and by type of account in each state during the preceding calendar month, with an additional reminder of what is expected, based on The Plan, during the coming calendar month.

Junior Salesmen Control

Many Stopette salesmen have under their direct supervision one or more junior salesmen who contact and sell only independent druggists within specified metropolitan area boundaries. Here again, both the senior, or regular states-territory salesmen, and the junior salesmen, receive a complete report concerning *all* junior salesmen's individual and collective results during *each* preceding *week* and also covering the year to date as to their number of daily calls and sales, percentage of sales to calls, and the number of two and one-fourth-ounce content and one-ounce content bottles of Stopette sold during the week and the year to date. Each salesman also receives, once each month, a "TV and Non-TV Cities Comparisons" report. As of recent date the Stopette television show, "What's My Line?" is being shown in 36 cities.

One sales mystery which so far has gone unexplained is why cities or metropolitan areas with similar buying power show such marked differences in Stopette sales and sales increases, or why other areas of wide differences in buying power show such similarities in sales and sales increases.

City R, for example, has nearly twice the buying power of City S, yet for the first five months of 1951 Stopette shipments to these cities were almost equal. What makes this even more puzzling is the fact that Stopette had adequate sales representation in City R during that period while

City S was without direct sales representation for two and one-half months of the five-month period.

On the other hand, another city which has approximately 75% of the buying power of City S, shows sales of approximately 30% of the sales in City S. "This is in the face of the fact that our sales representative in that city is one of our best, and that we receive a great deal of store cooperation," Mr. Wright points out.

Because Stopette maintains such exact checks on sales in each area and city, down to fractions and four decimal points, weighing them against advertising and sales costs, it is in a position to form certain conclusions. Summing up, Mr. Wright has this to say:

"Our experience with television has convinced us that it is a somewhat costly medium. From the standpoint of our national shipment pic-

If you would sell John Smith

What John Smith buys

Then you must see John Smith

Through John Smith's eyes.

—The Salesman's Treasury
Edited by Lawrence Lariar

ture, what we are paying for TV this year will represent nearly 14% of our net dollar shipments for the year. Admitting that our sales have gone up considerably more in our TV than in our non-TV areas, the cost per dollar sale is still high.

"I am convinced that, even *without* television advertising, these same areas would have shown substantial increases; increases sufficiently substantial to result in a very profitable year. I believe, with the experience we have had, if we continue TV advertising we can, in the future, select stations that will give us more for our dollar investment than some of the stations we have employed.

"I am not in sympathy, from the buyer's standpoint, with the common practice of the networks to bundle whole groups of cities and sell them as a package. I want to do my own combing and selecting because I feel responsibility in investing my com-

pany's dollar. When I buy a dozen eggs at the market I expect them to be selected and candled. I do not want two or three bad eggs in the dozen. I feel the same way about television, or anything else I may buy.

"Of course, failure to get results from any one station may not be the station's fault. The reason may be one pointed out earlier in this article: the difference in the taste of various audiences in program liking. Some cities, the continuing check-ups show, go for our program, 'What's My Line,' with enthusiasm and make it their first show while others seem to turn a collective back on it. For this latter situation I see no cure except to get out of that city, at least temporarily.

Network Practice

"It seems to me that every network, from a selfish standpoint, should make it as easy as possible for a time-buyer to step out of a losing city to fish for a better one but, as networks are operated today, this is not too easy. Maybe as they grow older and more experienced in mechanics they will make it easier to feint and sidestep around non-productive areas."

Stopette, for the purpose of this article, reveals other interesting facts about its operation:

1. Its four-year sales increase figures in percentages:

Calendar Period	% Increase
1947 to 1948	217%
1948 to 1949	188%
1949 to 1950	127%
1950 to 1951	76%

2. Its four-year advertising cost increase figures in percentages:

Calendar Period	% Increase
1947 to 1948	560%
1948 to 1949	427%
1949 to 1950	264%
1950 to 1951	89%

"Don't jump at conclusions too quickly in looking at these figures," warns Mr. Wright. "Big percentages were easy when the business was a baby. Now, with sales volume up, and advertising costs up, when we figure from the base we start at each year, a small percentage of increase in sales or costs may really measure a lot bigger in dollars than a big one did three or four years ago. Percentages can fool you, even kill you, and the thing to watch is the difference in the volume of sales and the volume of costs."



It Takes 500 Tons of Equipment for Just One Telephone Exchange

Five hundred tons of equipment and 62,000 man-hours of work are needed to install just one 10,000-line Dial Telephone Exchange.

Here's the story of months of work condensed into two minutes of reading time. (Bear with us, please, if several of the words get technical.)

There are 1800 crossbar switches, 4000 multi-contact relays and 65,000 conventional relays. These automatic switching mechanisms open or close millions of telephone circuit paths.

Eighty miles of cable are needed to connect all this apparatus. There are 2,600,000 soldered connections, each one a careful hand operation.

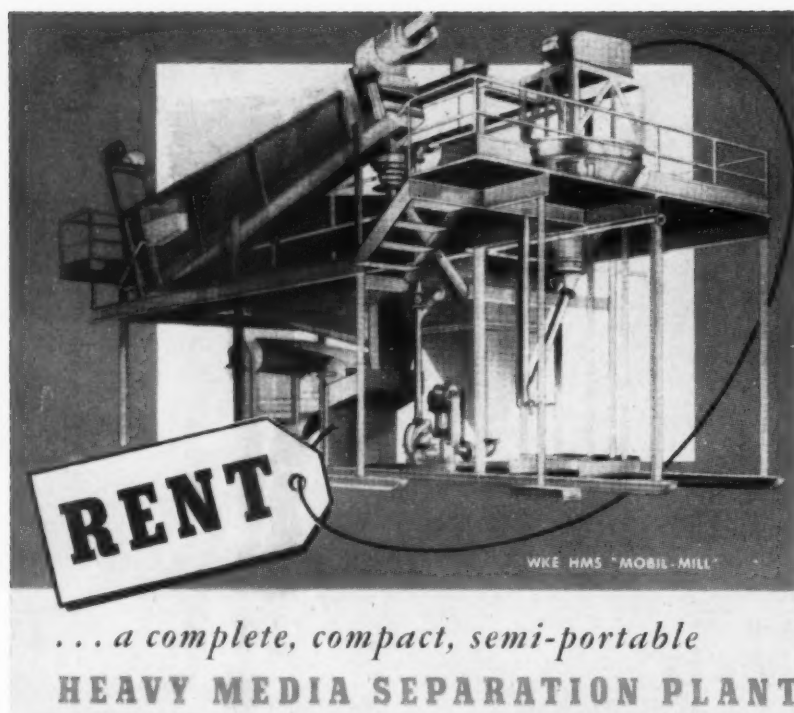
All that is for only one Telephone Exchange to serve one community. At present-day prices, the cost runs to \$1,500,000.

The money for these new facilities must come largely from investors who are willing to put their savings in the business.

Only through reasonable earnings can the telephone company attract the new money that is needed to do the job.

BELL TELEPHONE SYSTEM





Western's offer to "rent" on a pay-as-you-go basis was little short of sensational.

How to Merchandise Your Capital Equipment

Based on an interview with **ROBERT W. HERNLUND**
Sales Promotion Manager & Metallurgical Engineer,
Western Machinery Co.

Don't be scared off by the suggestion that you can "merchandise" heavy industrial equipment. When little known Western Machinery began to promote its pre-fabricated ore mill in unorthodox fashion it found all sales rising.

The installment pay plan—or monthly rental with purchase option if you wish to be more formal in describing it—is just as productive for a mining equipment manufacturer as it is for consumer goods producers.

When Western Machinery Co., San Francisco, brought out its pre-fabricated, portable mill for up-grad-ing low ores, it found that financing was one of the several major obstacles to quick acceptance of both a new piece of equipment and a new ore-handling process.

Quick acceptance—an expression which must be used advisedly in the highly conservative mining industry—was essential if Western and the purchasers of its Mobil-Mill were to achieve the benefits of "mass" production of equipment which is ordinarily custom-built.

There were other obstacles when Wemco—as Western Machinery is known in the mining industry—in 1947 offered its first four models of Mobil-Mill. The Heavy Media Separation process, which is the basis for

the Mobil-Mill operation, was just beginning to gain acceptance. The HMS process patent is held by American Zinc, Lead and Smelting Co., but the exclusive sales agent for the process is the American Cyanamid Co. If Wemco wished to sell its Mobil-Mill, it had to help sell the patented process and then sell itself as a producer of the mill equipment. And to top it all, Western Machinery was a relatively little known producer in the mining equipment field a decade ago, though it was founded 35 years ago.

Western Machinery's experiments in building equipment for the HMS process gave the company faith that it had a product which the mining industry could use.

Rental Plan

"The HMS process," points out Robert W. Hernlund, sales promotion manager and metallurgical engineer, "is basically so simple that nearly identical equipment can be used, regardless of the ores to be treated. We realized that we could not develop a 'mass' market, insofar as that term can be applied to ore prospects, until we could design a unit which could be made in a central factory, shipped, and set up on location, ready for use."

Wemco had faith in its product so perhaps its initial advertisements addressed to hard rock and coal mine operators did not seem so startling to the company as it appeared to the mining industry.

"Rent!" was the caption for a picture of Mobil-Mill in one of the first advertisements to be run on the equipment . . . "a complete, compact, semi-portable heavy media separation plant. Pay as you develop . . . pay as you produce. Take advantage of 'Mobil-Mill' profit possibilities with one of these three financial plans." The plans were simple:

1. Monthly rental: "Use this plan when initial capital investment is not justified."

2. Rental/Purchase Option: "Use this plan when you desire to prove, with actual results, the net returns which can be gained from capital investment. A large portion of the rent is applicable to the purchase price when the option is taken up."

3. Purchase: "Use this plan when economic recoveries have been pre-determined."

The firm had figured out that if a customer rented one of its Mobil-

How "Ditch-Digging" Advertising Reg. U.S. Pat. Off. Helps a Salesman

- ... get more business with the same effort
- ... hold business with less effort
- ... build a sound foundation for future business

"Ditch-Digging" Advertising is simply a mechanism that helps salesmen get the right story to the right people in the right way at the right times with the right frequency ... at the lowest possible cost.

It takes thought and effort to build that kind of advertising and to make it work — thought and effort on the Sales Manager's part and on the part of his advertising men and agency... working together ...

... FIRST, to find out who are the people—all the people—who specify, buy, or influence the specification and buying of your product. (Your salesmen are calling on some of these people, but can they see all of them? Do they know all of them?)

... SECOND, to find out what makes sense about your product to your prospects. (What are the viewpoints, prejudices, confusions, and needs that might indicate either obstacles to the purchase of your product, or sound sales approaches?)

... THIRD, to determine how to say what needs saying, to whom, and how often. (What will improve the view-

points and reduce the prejudices and confusions that stand in the way of gaining your objective?)

... FOURTH, to select the best tools to use—booklets, magazines, direct mail, or any other mechanical means of imparting ideas and information. (What part of the selling job can be done best by which selling tool?)

That's "Ditch-Digging" Advertising. It comes out of the field, not off the cuff. It takes effort, time, money. But it balances inspiration with sweat, providing a maximum of results...at a lower cost per sale than advertising based on unconfirmed "ideas" alone can produce, except by sheer accident.

This agency is equipped to work hand in glove with any Sales Manager who's got a hard-selling job to do and wants to do it with dispatch and economy. We can get going fast—and with the least possible drain on your time. If you'd like to discuss how Ditch-Digging Advertising works to boost sales for any product that's worth its price, just let us know where and when.



THE SCHUYLER HOPPER Co.

12 East 41st Street, New York 17, N. Y. • LExington 2-3135

"'DITCH-DIGGING' ADVERTISING THAT SELLS BY HELPING PEOPLE BUY"

Announcing . . .

A NEW TROUBLE-SHOOTING MARKET RESEARCH SERVICE

DO YOU NEED:

- (1) Information on statistical source material, public and private?
- (2) Informed guidance through the maze of government statistics?
- (3) Back data on economic trends for specific markets?
- (4) Help in setting sales quotas?
- (5) To know the location of good markets (and bad)?
- (6) To know the current volume of business in your industry?

For years, SALES MANAGEMENT, as publishers of the annual *Survey of Buying Power*, has served as the recognized authority for answers to questions such as those posed above, and we shall continue to answer without charge routine questions on the *Survey of Buying Power* through our Librarian and Readers' Service. However, the volume of inquiries of a research nature has become too large to be handled efficiently through these channels alone. Accordingly we have made arrangements with Market Statistics, Inc., headed by Dr. Jay M. Gould, Research Director for the annual *Survey of Buying Power*, to handle questions of SALES MANAGEMENT subscribers involving points of special technical interest. If such questions can be readily answered from data on hand, there will be no charge. For problems involving special research efforts on the part of the staff of Market Statistics, a nominal charge will be quoted, based on the time involved. In addition, Market Statistics, Inc., entrusted with the responsibility of preparing all estimates underlying the SALES MANAGEMENT *Survey of Buying Power*, will make available to SALES MANAGEMENT subscribers, by special appointment, its files of regional statistics, among the most complete in the country.

For further information write or phone Dr. Jay M. Gould at Market Statistics, Inc., 432 4th Avenue, N. Y. 16, MU 4-3559 or SALES MANAGEMENT, LExington 2-1760.

Mills for approximately 10 months it would be paid for. It was selling what was the equivalent of a complete plant. The rental basis plan provided a method of financing the sizable investment in a manner which was as simple as it was new to mining men—and it left the company covered. It was so well received that it became a basic part of the selling policy. It is still in effect, yet, interestingly, most of the mills sold have been purchased outright. And without exception, everyone who did begin by renting has eventually assumed the option to purchase.

Wemco knew that to successfully sell its packaged mills, and continue to sell them in sufficient numbers to make mass production possible and profitable, it had to do a combined promotional and educational job. In fact, it had to take the aggressive advertising approach already successfully practiced by other industries which have pioneered quantity production and consumption, and adapt it to its own type of industrial selling. How it has accomplished this adaptation may be seen from an examination of its advertising material, its sales tools, and some of its main selling tactics.

Business publications constitute the background of the advertising program for Mobil-Mill.

Buying Influences

Mr. Hernlund remarks: "Our first contact in any company that constitutes a Mobil-Mill prospect may be the president—or a lower level technician. From either one we have to work both ways because our job is to convince *management* of a concern rather than any one individual."

The right sort of advertising in key publications regularly read by the men Wemco wants to reach is regarded as the fundamental first step in stimulating interest in the company's equipment. Wemco started out in 1947 with two-color, full-page space in mining publications. It has steadily increased its schedules and now consistently carries one of the heaviest in the industry.

Initial copy played up the big news of the availability of a packaged HMS plant and the rental-purchase option plan. Photographs of models of the mill or installations in operation illustrated all of the advertisements in *Mechanization* and in *Coal Age*. Later copy talked turkey to mine operators:

"Your coal can sell to a steady market at top profits. Mobil-Mill precision cleaning by Heavy Media Separation permits selling to a de-

mand market: the steady market for clean coal. Of many operators who have installed Wemco Mobil-Mills to swing sales upward and change losses to profits, an Illinois coal producer is a typical case." Ten more lines of condensed text tell tersely, in the language of the coal mining industry, how this operator—"nearly out of business because of rapidly diminishing demand for unwashed coal"—after installing a specified Mobil-Mill, was able to recover "91% of his total feed... as readily salable clean coal with ash content reduced from 13% to 9% (6% inherent ash)"... so that, as a result, this operator now produces a product which more than meets his market demands."

Basic Sales Appeals

Case histories such as that, mentioning names when possible, quickly became an effective part of the promotional ammunition as the mills went into use.

Selling the modernity of prefabrication as against older processes of construction in the field, another advertisement, fittingly illustrated, proposed this question: "Would you build an automobile on a mountain-side?" The logical answer: "No! You'd build it in a factory where the necessary tools, materials and engineering assistance were available for low cost quantity production.

"Mobil-Mills are likewise factory built," the text goes on. "They are complete Heavy Media plants prefabricated for quick, low-cost field assembly anywhere in the world... Installed in seven days by Wemco's own engineers and crews, Mobil-Mills are complete in every detail—machinery, wiring, piping, stairways and walkways—all components required for immediate operation."

Two more short paragraphs tell why initial cost is low—"Mobil-Mills are prefabricated plants, eliminating expensive onsite construction and extensive engineering supervision"—and that "exceptionally clean coal is produced for which buyers pay premium prices." There in a few sentences without unnecessary technical talk is the selling story to the coal mining industry.

Wemco considers its promotional and educational literature its next most important selling aid. It is used in replying to inquiries which come from the advertising; by Wemco's field staff; in letters to prospects on the company's mailing list; for follow-up when selling of key members of a firm has started; at the various technical gatherings where any kind

COMING:

An important

new service

to all

Sales Management

subscribers

at no additional

cost as part of

your regular

subscription.

WATCH FOR

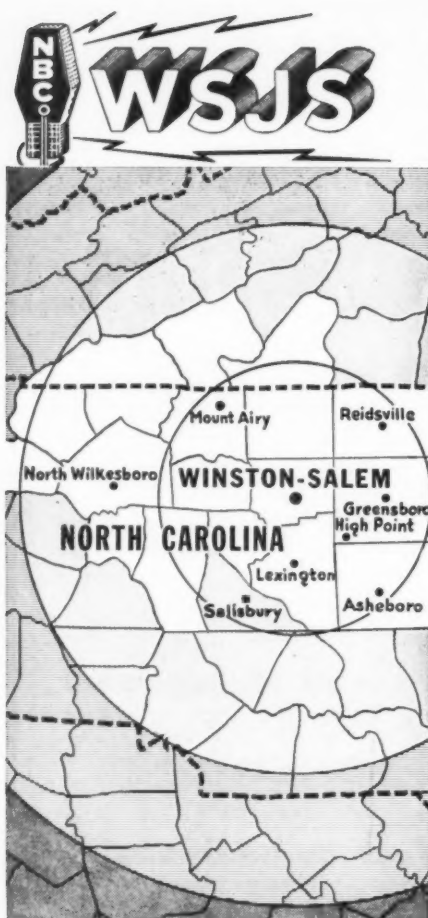
the announcement

in the

December 1st

issue of

Sales Management



**Only ONE Station
DOMINATES
This
Rich, Growing
15-COUNTY
MARKET**

with
**DRUG SALES of
\$12,474,000***

***Sales Management, 1951
Survey of Buying Power**

WSJS
The Journal-Sentinel Station

AM-FM
WINSTON-SALEM

NBC Affiliate

Represented by:
HEADLEY-REED CO.

of promotion is undertaken.

From the first, all advertising and promotional literature which went out from Wemco was printed in "blueprint blue" with black on white, making an instantaneous suggestion to those who work with blueprints of draftsmanship and engineering. There was design in this. One of the strongest selling points made on Mobil-Mill right from the start was that it gave the user a custom-built plant without his having to stand the formidable engineering fee this would require. Mr. Hernlund puts it this way:

"The investment we made in our original design for the mill was charged off in the first 10 plants we built. Now, when a man or a company buys a plant he or they actually buy an engineered job . . . but at a mass production price."

Bulletin Techniques

The promotional literature, from its first subtle suggestion of the draftsman's table in its color and setup, to the straightforward language and low-pitched argument of the text, reinforces this point. Wemco calls its literature "Bulletins," giving each a file number. All are letter-page size for easy filing and reference, lightweight for carrying in the field, and identical in style and format for company identification at a glance. All have "blueprint blue" covers and illustrate by graph, cut or photograph in black and white, and by blueprint reproduction, each point in the text or argument. Thus, even a prospect or customer not too familiar with English would have visual assistance . . . something to bear in mind when you sell all parts of the world.

Other promotional pieces the company makes effective use of are reprints of articles from engineering and technical journals—on the process and equipment in use.

Wemco started out by selling its plants to the mining industry as a whole, with perhaps major emphasis on the hard rock mining phase. The company's executives realized presently that there were basic differences between the hard rock and the coal mining industries—differences which called for modifications in the selling approach to each. Using at first the same approach to both fields, they did not make the headway with the coal mining men they thought was justified by what they had to offer. There were many reasons involving tradition, prejudices, personalities, as well as genuine basic differences in

terminology. Whatever these differences were—and Wemco set out hard-headedly to analyze them—they had kept the Mobil-Mill from gaining ground in the large and important coal mining field.

"What we had to do," Mr. Hernlund explains, "was adapt the hard rock mining technology to the specified coal mining problems and terminology and produce a separate advertising and educational literature for the coal mining industry." This they did, starting with specially slanted advertisements and a bulletin, "Wemco Mobil-Mill . . . for cleaning and preparation of Coal by Heavy Media Separation," using the coal man's language. "We did it by educating ourselves and our field men on the coal mining industry," Mr. Hernlund points out. "It was an internal promotional program first of all."

An amusing incident illustrates both the problem and its very human solution. A Wemco field man was reporting a call in the coal fields after the studies on the new approach. He was a hefty Texan, "long as a drink of water and dry in his humor," Mr. Hernlund recalls.

"Where are you from?" the prospect asked the Wemco sales engineer. They had had little success in breaking through his skepticism thus far.

"Me? I'm from Scranton, Pa.," the Texan told him, grinning . . . and proceeding to talk the coal miner's language in relation to HMS and the Mobil-Mill.

"So am I," the prospect opened up, settling back to listen. It wasn't long before he was asking about price, delivery and other information.

Sales Territories

Wemco's selling force is as mobile as its mill. The salesmen, all technically trained, do not have territories in the ordinary selling sense. Their territories are quite large and are usually made up of several important producing districts. Since it is impossible to thoroughly cover such territories, the salesmen receive assistance from both district and general management.

"They are sent wherever we believe there is business," Mr. Hernlund says. They move from district to district as the promotion and the mining picture changes, and a man rarely makes more than three calls a day.

Selling tools are facts, case histories of Mobil-Mill users, photographs of installations and of the artist's conception mentioned above, and the literature described. A group presentation may be made, using large art panels and slides. Field trips to a

SALES MANAGEMENT

plant in use are frequently arranged in the later stages of selling and include demonstrations. If the prospect is close enough to San Francisco he may be invited to the head office to observe one, or both, of two miniature plastic models in operation.

Another selling adjunct is a laboratory testing service. Sales engineers in the field, or their prospects, may send in to the head office samples of ore to determine if the mineral in question is amenable to treatment by the HMS Process. An objective, formal report is then submitted on the test.

To meet the demand for Mobil-Mill, Wemco has expanded the design from the original four models, to the present 40 models.

From the first introduction of Mobil-Mill, Wemco engineers have presented technical papers at engineering meetings. Two methods are used in presenting these papers. The first is for someone within the organization to prepare and give the paper. The second is for a well-known operating engineer to give the paper—which Wemco helps to prepare.

The Pay-off

Participation in equipment exhibits is a very potent sales factor. Wemco sets up one or both of its operating models for actual demonstration of HMS and the Mobil-Mill.

Contact with the customer does not end with a sale: It is far more closely established. A technically trained Wemco man accompanies each Mobil-Mill to its destination and supervises the installation. He remains long enough to insure understanding and efficient operation. At the same time American Cyanamid sends a field engineer to train the client and his staff in the operation of the HMS Process. Subsequently, Wemco regularly visits the property both for operating information (useful in future selling) and to service the customer.

What luck has Wemco had during five years of selling this unique packaged plant in the mining fields? A total of 125 HMS plants have been erected to treat minerals ranging from gravel to diamonds. Of these, 70 installations are straight prefabricated Mobil-Mills.

But the sale of the plants is not the end of the selling story. The promotion of Mobil-Mill has brought the company a great deal of other new equipment business, helping it to sell items allied to the heavy media business—sales Wemco admits it might not have without the aggressive Mobil-Mill promotion.



WHY WE'LL STAY RIGHT WHERE WE ARE

Every year my brother Howard and I go fishing with a party of publishers. After the cooks have filled us up with small mouth bass, about ten minutes out of the water, someone is sure to ask why we don't move our publication from our small Pennsylvania city, tucked away in the mountains, to New York or Chicago.

This year a Vermont friend answered for us. He said, "Maybe, George, it's like the city man who asked the Vermonter why there should be more cows than people in the state. The native ruminated a minute, then said he guessed it was because they like 'em better."

We do like Williamsport better. For one thing we Lamades have lived here ever since my father first arrived in America at the age of 8—more than eighty years ago. Now our boys are growing up and starting their families here.

It's been our business home since 1882, when the first issue of GRIT was printed. We say hello to more friends walking home every night than we would in a month hurrying to Grand Central or Penn Station.

Much as we'd hate to miss the moon over Bald Eagle Mountain, or fail to drop a line in Big Bear Creek the first day of fishing, we could move to a bigger place except for two things.

I don't know that we'd feel very happy uprooting the nearly three hundred printers, editors, secretaries and other folks who help us publish GRIT.

And I don't think we'd publish as good a weekly. Here we're pretty close to the kind of Small Towns and Small Town people who depend on us to translate what's going on in the world into their own understanding. Being the reading habit of 650,000 families is quite a responsibility!

No, I don't think we'll ever change our base. We'll stay right here and keep on making GRIT the kind of weekly Small Town people want to read, that they are loyal to, and that merits their loyalty.

George Lamade
President



WILLIAMSPORT, PA.
SMALL TOWN AMERICA'S GREATEST FAMILY WEEKLY



• Today's changing pattern and mounting costs make Burgoyne pretesting of new sales programs even more necessary . . . a market research service these leaders have used for years.

• Burgoyne store panels in Dayton, Grand Rapids and Rockford tallied one advertiser's new promotion . . . Management gave it the green light.

• You likewise can use Burgoyne presearch on new products . . . new packages . . . new ad themes . . . displays . . . any ideas to boost sales.

• Fit your distribution and your budget in one or several Burgoyne pretest cities.

• Write for proposal today.



10 Price Objections —How to Meet Them

You may save a sale by explaining your price in a logical, practical and downright realistic manner. But first you must get firmly into your mind all the basic reasons.

BY HARRY SIMMONS

Management Consultant

This is an ideal market in which to counter price objections from buyers who are worried to death. A salesman's answers today can certainly be logical, practical, and downright realistic!

Here are 10 suggested answers for salesmen who encounter price objections from prospects who still won't admit "there's a war on":

1. "G'wan, I can beat your price!"

Of course you can. I'd be the first man to admit it. But what you *cannot* do is equal our quality reputation. Many of our competitors, when they know we're in the running, will go out of their way to beat our price. But price alone is the least important element. There is so much shoddy material around that buyers are more quality-conscious than ever. That's why *our* brand name is so welcome to people who appreciate high quality.

2. "No, sir, I'll wait until the price is lower." O.K., my friend, that's your privilege—but *you* will be the principal loser. Chances are 10 to 1 that in this rising market of scarcities and allocations prices will go much higher rather than lower. The natural law of supply and demand is forcing up the prices of the raw materials that go into this product. Meanwhile, you are losing *two* profits: one you will make in buying at the present market price, and another you will make in selling it to your customer. If you haven't got it in stock, you can't sell it; when you get ready to buy it, you'll pay more for it.

3. "Sorry, your price is too high for my market." Possibly so, but I'm wondering if your *quality* standard could be too low. You know, people

are more interested in quality today than ever before. Figured on today's rising prices of raw materials—and on the basis of durability, satisfaction, and prestige—this is actually the lowest price product on the market. Figure it out for yourself: If you pay 15 or 20% more for a product that lasts twice as long and gives twice the service and satisfaction, which is the cheaper? You can pay a lower price, of course, but you'll only get a cheaper product. It seems to me, the important measuring stick is not price, but value. . . . What is the greatest value you can get for your money?

4. "I think I'll have to get competitive prices." Go right ahead, but what good will that do you? You *know* that you always can get cheaper merchandise at cheaper prices. You cannot get *this grade* at a lower price. What you should be interested in, especially today, is all the high quality merchandise you can get, because that's what your customers are looking for. They can get plenty of low-end merchandise, but they don't want it. What *you* need is a quality product that will help you trade up your customers and build up your profit.

5. "I think this cheaper product is good enough." At first thought you may think so, but actually nothing is "good enough" for an American. The modern citizen is always looking for something better, and when he finds it, *that's* what he buys . . . regardless of price. If you will consider the development of luxury buying in this country, you will realize that there is always a market waiting to be developed for *something better*. If you're going to make

It's time we got working mad!

As we listen to the latest insults from Moscow, we're likely to get fighting mad.

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It is clear by now that Stalin and his gang respect just one thing—strength. Behind the Iron Curtain they've been building a huge fighting machine while we were reducing ours. Now we must rebuild our defenses—*fast*.

As things stand today, there is just *one* way to prevent World War III. That is to re-arm—to become strong—and to stay that way!

This calls for better productivity all along the line. Not just in making guns, tanks and planes, but in turning out civilian goods, too.

Arms must come first. But we must produce arms *at the same time* we produce civilian goods.

We can do this double job if we all work together to turn out more for every hour we work—if we use our ingenuity to step up productivity.

All of us must now make sacrifices for the common good. But we're working for the biggest reward of all—*peace with freedom!*



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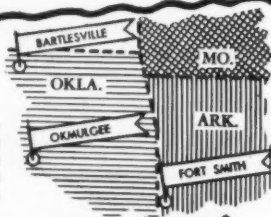
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a practice of keeping only cheaper merchandise in your store, you'll run the risk of losing a large number of quality-minded customers who continually shop around for higher grade merchandise than you can offer them.

6. "Why do I pay So-and-So less than your price?" Simply because you are *bound* to get merchandise of lesser quality. You know as well as I do that you get only what you pay for in this world. You just cannot get high quality at a low price—that is the unapproachable millenium—but you can pay a *fair price* and get quality so high that the *eventual cost* of that merchandise is actually less than the price quoted on cheap merchandise. That is what brings you repeat business from your customers and cuts down the expensive returned-goods evil.

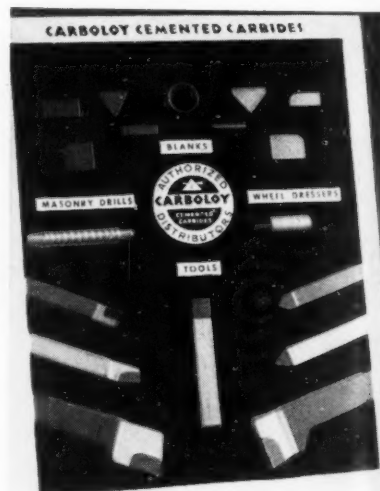
7. "I ought to get lower prices on a repeat order." On the contrary, it should make you feel safer with us that we have only *one price* for everyone. The fact that you give us a repeat order doesn't lower the cost of manufacture for us . . . it will cost us just as much to make up as the last order. In fact, it may even cost us more because of today's rising costs of raw materials. What governs our price is the *quantity* you buy at one time; so it is actually cheaper for you to double the order today if you can possibly do so.

8. "Why does So-and-So get a better price than I do?" Simply because he buys in much larger quantities. You know as well as I do that the price of all merchandise is regulated by *quantity*. By manufacturing larger quantities at one time we can effect certain economies in production, which are naturally passed on to the buyer. *You* can get exactly the same prices for similar quantities. That's the advantage of doing business with a firm that has only one schedule of prices.

9. "That looks to me like pretty expensive merchandise." I'm glad it looks that way to you, Mr. Jones. But if you are referring to the price, it all depends on what you consider expensive. If you're going to compare our prices with our competitors' prices, it is true that we are about 15% above them. But . . . if you will place the two grades of merchandise side by side, feel the material, consider the difference in quality, and realize that it will give your customer 50 to 100% *more service*, then you will realize that competitive mer-

chandise is more expensive. Meanwhile, the customer has the pleasure and satisfaction of our high quality materials; the more he enjoys his purchase, the more he *thinks of you*. It is all in the point of view and how you present that point of view to your customer.

10. "Sorry, but money is too tight right now." What do you mean, tight? Do you mean money itself, or do you mean someone's inferiority complex about money? As a matter of fact, money is loosening up every day; there is more money in circulation today than ever before in our economic history. More people are at work than ever before; larger wages and salaries are being paid out than at any time in our existence as a nation. The population is increasing by leaps and bounds, and there is a greater demand for luxury items than we have seen for years. Even the bankers are loosening up; and a vast amount of money is available today for credit at reasonable rates. Better times are here *right now*; the harder we go after the business the better we can make it.



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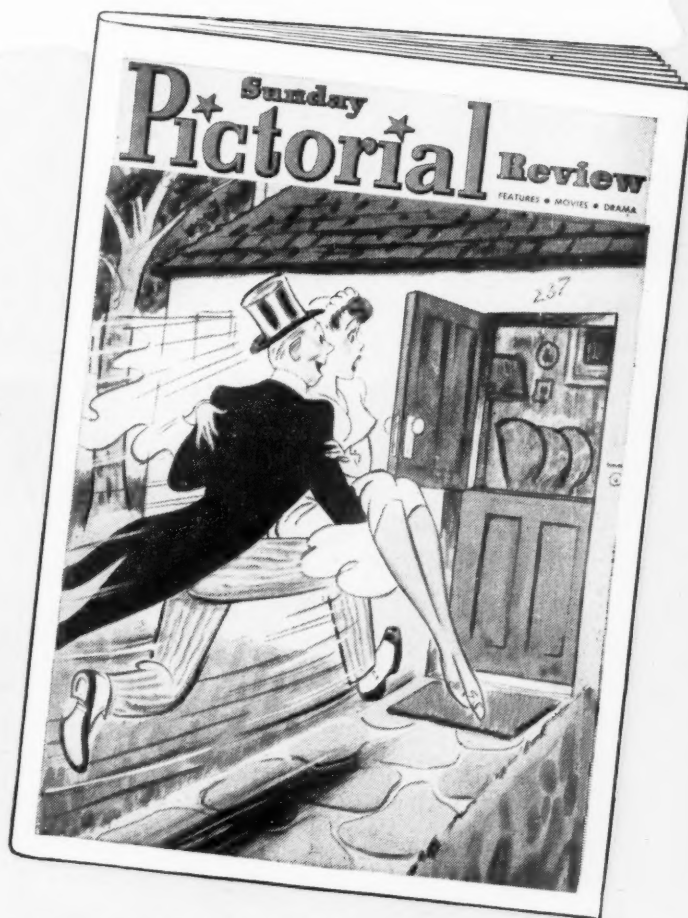


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Why Distributors Say, "Put Policy in Writing"

A written distributor policy is much the same as a job analysis for salesmen. It clarifies what is to be done, how, and under what conditions. Here are 16 basic items you'll want to consider in drawing up your own specialized policy.

"Confound it, Joe, you remember the Widget Co. salesman told us, when we took on his line, that at the end of the first year we could exchange the slow-moving stock for faster-selling sizes. He made that promise because he wasn't sure just what items we should stock. Now his company wants to stick us with a reconditioning and handling charge," complained an industrial distributor to his partner. "If Widget had a written franchise, this argument might have been avoided."

That conversation is the result of an over-zealous salesman who, to land a new distributor, is verbally promising more than his company will back up. The result may well be a disgruntled distributor whose sales of Widget products will suffer.

"But, boss, when I signed up the Hoonga-Doonga Supply Co., old Man H agreed to put on a specialist to handle our line and to send him to our plant for a month's training. He also promised to let me hold sales meetings and make calls with his

salesmen. Months have passed and he has kept none of his promises," griped a field salesman to his sales manager. "If we had a written agreement, this might not have happened."

Such conversations are carried on every day. As they indicate, both manufacturer and distributor may be guilty of delinquencies when relationships are based on verbal agreements. Both speakers suggested that the best solution would be a *printed distributor policy*.

Here's what G. H. Halpin, executive vice-president, Minnesota Mining and Manufacturing Co., has to say on this subject: "The distributor is a fair-minded fellow and he will accept any fair-minded manufacturer's policy, but the distributor wants to know what that policy is. The manufacturer doing any part of his business with distributors should clearly state what his policy is—better yet, he should print his policy, as many leading manufacturers are doing, so that there will be no question."

The distributor's viewpoint is given by H. E. Torell, vice-president, Syracuse Supply Co.: "Every consumer likes to feel he is dealing with an authorized distributor. The consumer's regard for the manufacturer and the manufacturer's trademarked products are enhanced when it becomes apparent that the manufacturer's marketing program incorporates responsibilities as well as privileges in his distributor selling franchise."

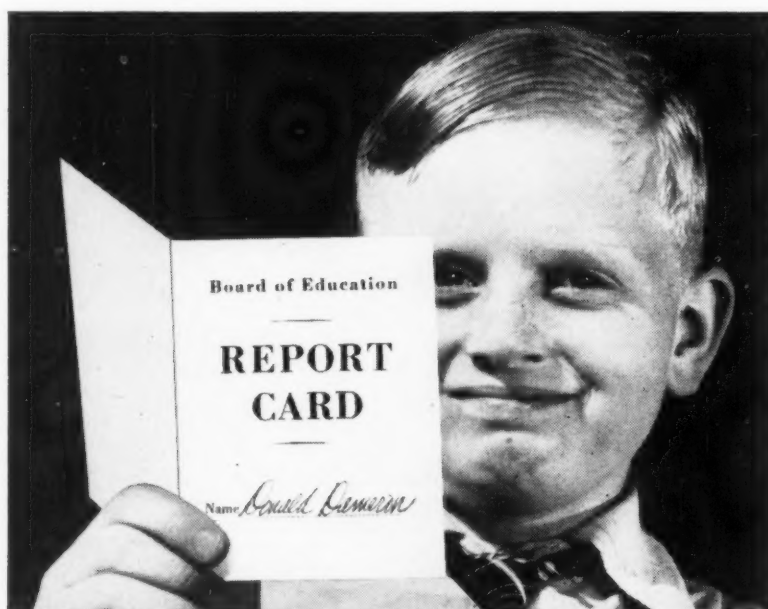
All "endorse," but . . .

It is interesting to note that although *all* supply distributors and machinery manufacturer associations have endorsed the printed policy, only about half of our manufacturers have them today. (A survey made by Ross Federal Research Corp. in 1946 revealed that only 47% of our manufacturers provide a written outline of their sales policies; 11% of those who did not, stated that they intended to do so. Whether they did or not we don't know, because more recent figures are not available.)

One manufacturer out of every two still depends on a *verbal* sales policy with its increased hazards of misunderstanding. Let us review some of the advantages of having a printed distributor policy. It . . .

I. Eliminates suspicion and argu-

BY LOUIS H. BRENDL
Merchandising Director
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The Sunday Picture Magazine

SALES MANAGEMENT

ments: Mental attitudes such as those expressed in the imaginary comments by manufacturers and distributors at the start of this article can progress into suspicion and unpleasantness. A written sales franchise clearly spotlights each party's obligations. The fact that both distributor and manufacturer have to read the agreement before signing it prevents either one from claiming later that he "didn't say this or understand that." Points of difference may be compromised and settled *at the very beginning* rather than later. John West, Lewis Supply Co., Memphis, Tenn., has this to say:

"Many times there are arguments which would not have arisen if there had been a written agreement between us and our manufacturing supplier. It would certainly improve relations between manufacturing suppliers and distributors if written sales policies accompanied their franchises or contracts so that both parties would know what to expect in advance before entering into an agreement. I have strongly recommended to many of our manufacturing suppliers, with whom we do a large volume of business, that they give careful thought to a printed distributor sales policy."

2. Helps to get good distributors:

As a rule, companies having printed sales policies merchandise them actively in their attempts to get more and better distributors. All other factors being equal, a distributor prefers to ally himself with manufacturers who say it in writing.

3. Discourages false promises.

There are times when an inexperienced salesman, in his eagerness to land a worth-while distributor, may promise more than his company will back up. Such a condition may be aggravated by an older and shrewder distributor who senses the young salesman's eagerness and lack of experience and takes advantage of him by insisting on unreasonable features. Of course, an individual in a distributor's organization may also agree to certain concessions which are against his company's practice, to land a line he wants very much. Written agreements tend to curb attacks of overzealousness in making promises.

4. Makes line appear more important: A manufacturer with a written franchise usually requires certain obligations on the part of his distributors and lists these "musts." Similarly, he lists the aids he agrees to provide for the distributor. This makes his line seem to be "harder to get"

than if no written list of requirements is used. Likewise, when his promises are written out, it is more impressive than merely having a salesman mention them. It also precludes the possibility of some important item being forgotten. If two competing lines are equally desirable, the one with a printed sales policy will seem more important.

5. Offers publicity opportunities:

The dramatic news possibilities of pictures showing a distributor and a manufacturer's representative coming to an agreement on policy are not overlooked by alert companies. While not so widespread in appeal as a photograph of Joe DiMaggio signing a new contract, such pictures are of interest in many business publications. Russell Duncan, a leading distributor in Minneapolis, who has some helpful suggestions for short policies, has this to say: "A policy should be as short as possible. The manufacturer's attitude should be one of how little he can put in his policy rather than how much. For example: We recently received from one manufacturer a printed policy which covered approximately 15 pages. It included everything imaginable and apparently was

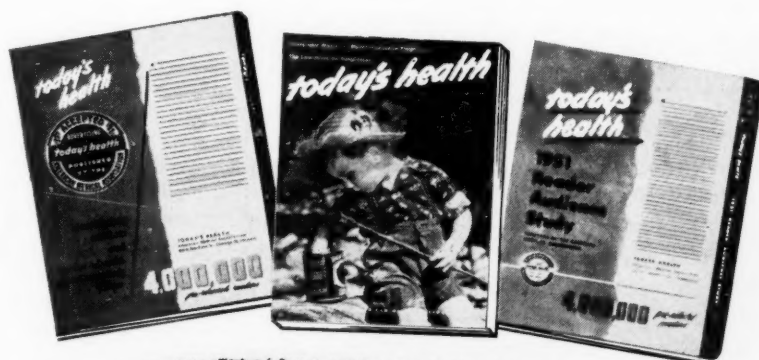
the brain child of a man who had nothing to do but make up a policy. The "meat" of a sales policy could be printed on one or, at the most, two sheets of paper."

A written policy does not have to be complicated, but it should be inclusive enough to cover the broad basis for doing business. Let's look at several examples of well constructed policies:

From here on we will tabulate a few details, one or more of which may be included when a manufacturer writes a specific agreement with an individual distributor. It isn't necessary to spell out all these details in the printed policy itself. To do so would make the policy too involved since there is such a variation from region to region:

1. Lists qualifications of distributor:

Certain manufacturers include a statement that, in order to be a distributor, the applicant must have a suitable place of business and ample storage space. Others point up that distributors must have the ability to assume the credit risk of sales made. One company writes into its agreements that its own "salesmen cannot resign to become distributors."



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Box 2821 Sales Management

One company spells out its distributors' responsibilities: Carry adequate stocks, place orders in time, learn about product, appraise sales potentials, protect manufacturer's interests against competition, pay promptly.

2. States products covered: Anyone who has worked for a manufacturer with a wide range of products, some of which are not sold by distributors, can appreciate the need for a clearly written list of items the distributor is eligible to sell. Without a written sales agreement, it is difficult to establish whether the salesman pointed out just what the distributor could and could not sell. Even if he were told and he forgot, a distributor is not happy when he has to give up an order for something "he isn't supposed to sell." For example, a New England manufacturer of steam specialties which are sold through distributors also makes a technical, high price device used by public utility companies. Because of the complex engineering involved in the latter product the company sells it only through its own salesmen. This manufacturer was constantly in hot water until he barred this product's sale in a written agreement. Link Belt Co. solves this problem with a written sales agreement, listing all products each individual distributor is permitted to sell.

3. Defines territory and protection: Even more important as a source of arguments are the distributor's "selling rights." Without a plainly written territorial definition and how much, if any, protection is to be afforded, a manufacturer and his distributors may be headed for bickering. One New England manufacturer includes an agreement not to sell any private brand merchandise at less than his standard prices. A written agreement, which clearly states the distributor's territorial boundaries and protection, goes a long way to obviate future disagreements. It also helps to quiet the distributor who otherwise is continually begging for an "exclusive."

The Rust-Oleum Corp. buys space to print its policy—Article III in which this statement is made: "All direct inquiries and orders from industrial users and prospects shall be referred to Stocking Distributors."

4. Covers appointments of new distributors: It is a smart idea to discuss an appointment of an additional distributor in an older distributor's territory with the older distributor before it happens. Most

manufacturers do. The Black Manufacturing Co., for one, promises to do so in its written agreement.

5. Clarifies O.E.M. policy: Some manufacturers forbid their distributors to sell any product to any original equipment manufacturer. Others encourage their distributors to sell all products to all O.E.M. Then there are others who permit their distributors to sell some O.E.M. but have a special group of O.E.M. "house accounts" which the distributor is not permitted to sell. A statement in writing is the cleanest way to peg this detail.

6. States policy on selling government: All companies do not agree on the sale of their products to the Government. It is therefore helpful when the manufacturer states in writing his sales policy. Selling to chain stores and mail order houses is another subject that may require attention. A large manufacturer in the Middle West says: "The fair-minded distributor will recognize that there are situations wherein his services are of limited value to the manufacturer and that the manufacturer should sell direct. An example is negotiated government business. The distributor's cost of service performed and his profit on sales are surprisingly low for the service he gives."

7. Outlines stock requirements: It is not unusual for a salesman who is anxious to land a new distributor to be lax in insisting on an adequate stock of his products. This handicaps the distributor in filling his orders and slows down product acceptance and stock turnover. The result may be discouragement on the distributor's part, which might have been averted if he had originally put in an adequate stock. A written statement brings the stock requirements out in the open and makes it easier for the salesman to obtain the correct initial order. Likewise, the contract may include permanent minimum stock requirements, although with most distributors this is not necessary.

One Michigan company heads off requests from distributors by printing in bold-face type that *they make no consigned shipments*. The Greenfield Tap and Die Co. includes in its written policy the locations of its branch plants and warehouses for the distributor's convenience.

One part of Carborundum Company's agreement pleases distributors because it states that the company will supervise and accept its share of responsibility for a distributor's inventory and turnover.

To help their salesmen, some manufacturers include a written agreement on the distributor's part to permit the manufacturer's representative to periodically check the distributor's stock.

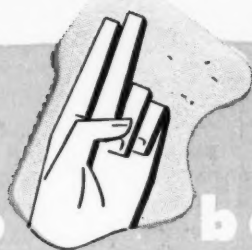
8. Establishes prices and discounts:

There are times when price maintenance among a manufacturer's distributors becomes a problem. When an agreement with a distributor is verbal, there is always an opening for him to claim a misunderstanding and undersell the manufacturer and other distributors. There is less chance for a mistake when the distributor has signed a sales agreement.

A "one price policy" to all distributors is written into the policy of the Henry G. Thompson Co., New Haven, Conn. This manufacturer agrees to furnish suggested industrial consumer resale prices and to vigorously discourage price cutting. Some agreements include statements assuring distributors that no prices will be raised except through national announcement. Bird & Co., Walpole, Mass., outlines its policy on protection in the event of a price drop.

9. States guarantee: Some distributors, such as Chandler & Farquhar Co., Boston, always investigate a manufacturer's guarantee before they take on a new line. This is natural, for in reality many distributors consider themselves procurement agents for their customers as well as sales agents for their principals. With this viewpoint, which a practical manufacturer will not resent, a distributor wants to be sure of how far the guarantee on the merchandise he sells goes. One way to eliminate all doubt is to state in the written sales agreement exactly what the manufacturer means by his guarantee.

10. Gives terms: Three manufacturers have 2%, 1% and no % discount for cash payment in 10 days. They do not have written sales agreements with their distributors. The one with the standard 2% discount of course does not have any difficulties because most distributors expect and take 2% on their bills when they pay them in time. The companies with 1% and no % discount constantly have trouble because a certain number of their distributors feel that they should have a 2% discount. These distributors forcibly call the manufacturer's attention to this by paying their bills after deducting 2%. While a written agreement will not correct an out-of-step cash discount policy, it will at least bring it out in the



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open where it can be changed or abided by. Freight terms are also more acceptable when stated in writing.

11. Prescribes returned - goods policy: As young salesmen, trying to get distributors for a new line, we were stonewalled by several desirable distributors who said: "I won't even consider your *new* line until you get rid of your company's old stock which has been gathering dust on my shelves for years." And they meant it. We couldn't get a new stock in until our company had taken back these dead stocks. Think how much simpler and pleasanter for all parties if this manufacturer had stated in writing his returned-goods agreement at the time the original goods were purchased.

12. Defines training and engineering support: A written agreement is an excellent medium through which to define clearly what training a manufacturer is to provide for a distributor's salesmen: whether they are to go to a factory "school"—and at whose expense and for how long; how frequently sales meetings will be held in the distributor's place of business, and who will conduct the meetings. It will assure the distributor of capable direction of his meetings and assure the manufacturer of cooperation in scheduling and holding meetings. It provides a positive record of engineering support the manufacturer agrees to make available, and encourages cooperation on the part of the distributor. A Minnesota distributor states his views on this subject.

"No printed policy should have in it any demands on the distributor which he cannot hold to. For example: One of our smaller suppliers in the East had in his written policy a statement that the distributor promise to send at least one man to the factory during the year. If we had had to send a man, it would have meant practically the entire profit on the year's sales. The manufacturer said that it was not intended that distributors located as we are be held to this portion of the policy. While this latter deals more with a *contract* than it does with a *policy*, nevertheless such requirements are often incorporated into a sales policy although, more correctly, they belong in an individual contract."

13. Lists sales aids and promotion: A manufacturer should write out what advertising support he plans to give the distributor. He should do the same for direct mail, literature, sales promotion, sales tools, demon-

strators, samples, point-of-purchase displays, etc. If any or all of this assistance is to be on a cooperative basis, then the amount to be paid by each party should be clearly stated in writing.

A large New Jersey manufacturer who is operating without a written policy is at constant logger-heads with his distributors. His sales and advertising department designs an effective sales presentation or demonstration to help distributors' salesmen sell his products. He then attempts to get the distributors to *pay* for all or part of it. But since distributors are all rugged individualists, some will and some won't. At times more won't than will and the project flops. A firm, fairly written sales agreement would go a long way to correct this untenable situation.

14. Pledges research and product improvement: The Michigan Abrasive Co. is only one of many manufacturers who put in writing exactly what their distributors can expect from them in the way of research and product development. This is important to the distributor's peace of mind so far as the line's future is concerned.

15. Protects against claims and damages: In item 1 we pointed out how the written guarantee afforded protection for the distributor and his customers. Some manufacturers write into their sales policies protection for themselves against claims or damages because of nondeliveries resulting from all manner of causes beyond their control. These include supply and transportation difficulties, acts of God, labor disputes, casualties and civil disturbances.

16. Tells how and why relationship may be terminated: The life of the agreement is clearly written in by some manufacturers. Some mention the reasons for termination of a distributor's contract and outline the procedure for actual termination. Some include a release against any obligations or further delivery to a distributor who may go bankrupt.

(Other recent articles on manufacturer-distributor relations by Mr. Brendel were published in the following issues of SM: August 15, "14 Practical Ways to Help Your Distributors—Now"; September 1, "When You're Tempted to Cut Out Distributors"; September 15, "Where to Find and How to Choose Your Industrial Distributors"; October 1, "What Distributors Want to Know Before They'll Take on Your Line"; October 15, "10 Ways Distributors Rate Your Pricing Policies." Another article will appear in an early issue.—The Editors)

New Books for Marketing Men

Books reviewed or mentioned in this column are not available from SALES MANAGEMENT. Please order from your book store or direct from the publisher.

Counseling Executives After Merit Rating or Evaluation. By Earl G. Planty and Carlos E. Efferson. Published by American Management Association, 330 West 42nd St., New York, N. Y. Price, 25 cents.

This pamphlet is subtitled "A Project in Executive Development." And the authors present some partial suggestions for following through with counseling a company's executive as an aid to analyzing their strengths and weaknesses. The program, as outlined in the booklet, is carefully broken down as to preparation, manner for such an interview, the interview, evaluation and follow-up.

Rate Yourself. By R. M. Rhodes. Published by The Updegraff Press, Ltd., Scarsdale, N. Y. Price, 10 copies or more, 25 cents each; 50 copies or more, 22 cents a copy; 100 copies or more, 20 cents a copy. Special rates for large orders.

This little booklet presents a series of "private tests," designed to give the reader a broader insight into such personal qualities as natural characteristics, attitude, working characteristics, executive ability, etc. Each test is accompanied by a short "talk" on the subject. The tests are easy-to-take and, because they tell the reader about himself, they are not only fun but constructive.

Sell as Customers Like It. By W. E. Sawyer, in collaboration with A. C. Busse. Published by Funk and Wagnalls. Price, \$2.50.

This is a look-at-yourself-across-the-counter book by two experts on selling and sales problems: Mr. Sawyer, director of education for Johnson & Johnson, has had 18 years' experience in two major industries. Mr. Busse is well-known as a researcher and consultant, has taught at NYU for 30 years. They've produced a book built around successful techniques used to stimulate and create sales which will be useful to sales managers, salesmen and students. The book is in three sections: The People You Sell, The Principles You Sell By and The Plan to Sell Yourself. Well laid out, illustrated, readable, bedrock material. Introduction by Robert A. Whitney, President, National Sales Executives.

Operating Results of Department and Specialty Stores in 1950. By Malcolm P. McNair. Published by Division of Research, Harvard Business School. Price, \$5.00.

This marks the thirty-first year in which Harvard has made this study of department store margins, expenses and profits. This year's study includes figures for the interquartile range: The range covered by the middle half of the reports for all the items tabulated. There's also a comparison of results for the spring and fall seasons and a tabulation of summary data according to Federal Reserve districts.

NOVEMBER 20, 1951

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Superior Market?

The 122,000 consumers in the **TROY CITY ZONE** of this rich, growing market can be reached only by The Troy Record and The Times Record . . . two newspapers at a single cost.

TWO YEAR GAINS

1950 Sales Management figures compared to 1948 Census of Business

• SALES GAINS

TROY-ALBANY-SCHEN. METROPOLITAN AREA **13.6%**

MIDDLE ATLANTIC STATES **9.7%**

NATIONAL **7.5%**

45,652

6-months ending
Sept. 30, 1951

18c

rate per line

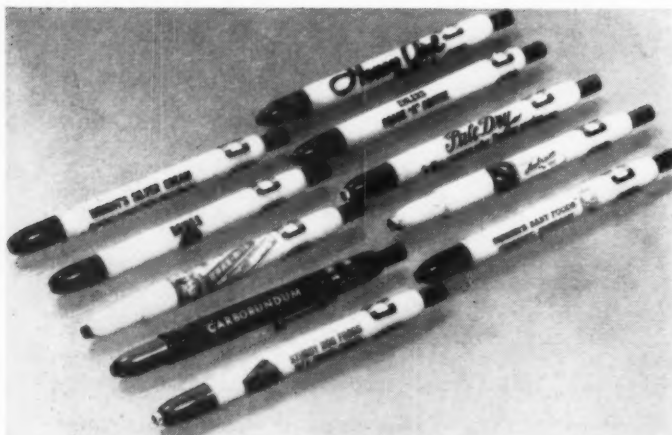
96.8%

city zone coverage

THE RECORD NEWSPAPERS

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- THE TIMES RECORD •

TROY, N. Y.



Based on an interview with
D. G. STUART

Sales and Advertising Manager, Listo Pencil Corp.

A MAIN STREET "PITCH MAN," hammering on a comb, gave Charles E. Wehn his original idea for a pencil to be mass-produced out of plastic materials. Today a special version of that pencil—one that will "write on anything"—is contributing 15% of the Listo total volume.

Listo Works Back from the User To Build Premium Market

The story of "The Pencil that Writes on Everything" is largely a tale of sales imagination. The approach is simple: Find a logical application, then ask, "What kind of company has a big stake in this field of usage?"

Listo Pencil Corp., Alameda, Calif., makers of Listo desk and pocket pencils, the Listo checking pencil and the Listo marking pencil, recently explored the premium field to find new customers for its latest product, the marking pencil.

The method for developing this field is so fruitful that the corporation has added a long list of new users, set up a Listo Premium Division, and built premium sales to 15% of its total volume.

Listo's entry into the premium field was neither haphazard nor unplanned. D. G. Stuart, the firm's sales and advertising manager, puts it this way: "We have long felt that our marking pencil is ideal as a premium for certain businesses, notably for packers of food products and manufacturers of items which go into retail operations such as grocery stores, drug stores, garages, lumber yards." Knowing how manufacturers and distributors choose a premium item, Listo did not bid for business in this field until it had additional market information: The sales department thoroughly

studied usage of the product to determine facts considered vital to premium pencil promotion.

Aim of the usage study was to answer this question: Where has acceptability of the Listo marking pencil as a tool of business been fully proven?

Behind the question, which the company's sales heads asked themselves at the inception of the Premium Division, and continue to ask as each new premium product is explored, was the knowledge of what a manufacturer wants in a premium item.

The manufacturer wants answers to these three questions: (1) Is the premium acceptable to the people to whom we wish to give it? (2) Is it in common use? (3) Is it an item for which replacement parts can be obtained anywhere?

These questions are important not only to the manufacturer who is a potential user of premiums, but to the wholesaler who handles or specializes in premiums. To obtain maximum cooperation from wholesalers,

Listo Premium Division executives knew all three questions must have affirmative answers.

Analyzing the questions in reverse, the company knew it could sell its product on Question 3, for it could tell both manufacturers and premium wholesalers that refills for its pencils are available throughout the United States. And Question 2 was easy to answer: Listo pencils are in common use, widely distributed in this country—and are gaining international markets with sales in the Hawaiian Islands, England, South America, India, Switzerland, Central Europe. In 1949 the firm opened a subsidiary plant, Listo Products, Ltd., in Vancouver, B. C.

Question 1—Is it acceptable to the people to whom we wish to give it? It called for specific demonstration. Here the company centered selling efforts in building premium sales.

Before elaborating these selling efforts, let's consider Listo's history for a better understanding of its methods. The company was founded by a pencil salesman, Charles E. Wehn. He'd been selling to the consumer. In 1919 he saw a street demonstration of a "tortoise shell" unbreakable comb. A man held the comb on a wooden block and hit it with a hammer; the comb didn't break. Wehn was interested in this showmanship and wondered if he could apply it to his own selling.

He asked the nature of the mate-

rial which, made into an apparently fragile comb, could withstand the treatment given it in the hammer demonstration. He found it was Du Pont's Pyralin, a new, flexible material which could be supplied in many colors, and which improved with handling. He considered the idea of pens and mechanical pencils made of that material.

At that time these items were manufactured from hard rubber or metal, both expensive. He found that Pyralin was available in rod and tube form, involving drilling and lathe work to produce the pieces which would be needed if pens or pencils were made of it.

Thought Starters

Wehn believed that if a lightweight pencil, properly balanced, could be made of Pyralin, a mass market awaited it. Such a pencil, given sufficient demand and promoted, might sell at lower cost than the pencils currently on the market. He knew that insofar as demand for all types of mechanical pencils was concerned, only the surface had been scratched by current production and sales methods. So he proceeded to design a pencil "for tomorrow."

By 1921 Wehn was ready—and so was Listo (which Wehn took from the Spanish word meaning "ready"). On November 1 of that year the Listo Pencil Co. opened in Alameda, across the bay from San Francisco. Wehn was manager of the new plant.

The Listo pencil was "different." Its selling features were the lightweight, colorful barrel and balance. A knurled turn in the center of the pencil (unlike competing pencils which had it at the end) helped to provide the balance of the pencil and make it easier to hold. Price and dependability were sold together. Retail at fifty cents and a dollar, practically everyone could afford the Listo automatic. The mass market young Wehn had dreamed of was not long in becoming a reality.

In a short time production was up to 500 pencils a day, and distribution soon extended beyond the West Coast. Wholesalers and jobbers in Chicago, New York and other eastern cities began to carry the Listo line. Large companies began to send in orders, seeing the low-price automatic pencil as a useful companion to the wooden pencil—and perhaps an economical substitute. The Pacific Gas and Electric Co., Calif., for example, was one of Wehn's first big customers—and P-G & E is still using many of the Listo pencils they bought in the early 1920's.

Loyalty of such large users helped to pull Listo through tough depression years when many firms went under. In those difficult years Wehn kept in mind the lessons of his experience on the road. From these, in fact, the Listo sales method was developed. His method is (1) sell the consumer first, then the retailer and, finally, the wholesaler; (2) use showmanship. Wehn brought these two together by taking customers and prospects to see how his pencils were made.

He had two ways to accomplish this: If practical, he invited businessmen to his plant. Almost invariably, once they saw, they bought, and continued to buy. But of course not everyone, even among major customers such as buyers for industry and large firms generally, could be sold in this manner. The next best thing, Wehn reasoned, was to take his plant to his prospects.

He devised a window display in which Listo pencils were made while you waited—your pencil delivered to you on the spot. The display became well-known on the West Coast. In this way Listo sold consumers. Trade shows were made a means of selling the trade with a similar "traveling plant." A lathe assembly setup and

engraving machine to imprint customers' names were sent to major markets throughout the U. S. where meetings, conventions and shows were scheduled.

Soon Listo was manufacturing 14 types of pencils in 31 colors, and featured a variety of regular and extra-thin mechanical lead pencils, checking pencils and lead refills. Then the Listo marking pencil was introduced. It was announced in a four-inch advertisement in a Pacific Coast stationer's business publication as a pencil which solved the problems of marking on tin, glass, crockery and cellophane, and "worth its weight in gold as a business tool . . . a recognized improvement, so outstanding that immediate sales success is assured." The enthusiastic response brought Wehn to a decision which materially affected his company's growth.

The strong competition prevailing in the pencil industry has led manufacturers to produce a wide variety of pencils and lead refills in many styles. Wehn resolved to lift his firm out of the welter by concentrating on a few quality pencils, discontinuing the rest. Desk or pocket Listo, checking Listo, and Listo marking pencil

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became the three groups on which the company concentrated its production, sales and advertising efforts.

Discontinuing the lathe and hand work characteristic of earlier methods, the company changed to a mass production setup, using Tenite, Forticel, Styrene and other new plastic compounds suitable for the manufacture of pencil parts.

By 1941 the marking pencil was Listo's largest seller, but it began to meet competition. The firm strengthened and increased its advertising and coined the slogan that has become a part of the firm name: "Listo—the Pencil that Writes on Everything." Now its No. 1 product, Listo marking pencil, is receiving the main sales and advertising backing.

The marking pencil was invented because Wehn recognized the need for an automatic pencil in the marking pencil field. "We saw the need as representing a large potential," he points out, "therefore we invented a pencil to meet the need and the market." Next, Wehn's sales department identified its best markets. When these markets had developed a substantial demand for the new product, as they did in short order in the retail food, drug, automotive, hardware, houseware and building material fields, Listo sales executives were determined to increase volume in the markets where they had acceptance, and then find new fields and new uses for their pencil.

Distribution Method

Here the Premium Division entered the picture, for it proved a means of quickly achieving both aims . . . which brings us back to the question manufacturers ask when seeking a premium which is more than a mere give-away: Is it acceptable to the people to whom I wish to give it? Listo had this acceptance in many trades. Modern self-service food stores constituted a natural and growing market. So did new super drug stores. Both sold price-marked items. The firm found it relatively easy to sell Listo marking pencil as a logical premium for distribution by such companies as Borden's, Gerber's, PictSweet frozen foods, Sunsweet prunes and many other food packers or processors.

More selling is required in other fields. For example, Listo found that garage men use their marking pencils for marking spare parts, punctures in tubes, owners' names and job numbers on engine blocks. After studying firms that sell to garages which might conceivably need to keep their names before garage owners and their men,

Listo suggested to jobbers that they contact manufacturers of automotive parts and supplies. The Bowes Seal-Fast Corp. was one contact. It was suggested that Bowes advertise their tire patches to their customers and prospects by way of Listo marking pencils as a premium. The jobber pointed to existent usage and acceptability among more progressive garages and showed examples of colorful copy and trademarks imprinted on pencils used by other leading firms.

A suggested design for Bowes Seal-Fast provided a talking point. Bowes' sales heads quickly saw the advantage, placed the order with the jobber—and a new field was developed for Listo pencils.

The possibility of new markets often starts with a user in an unexpected field. Listo found the fur industry adopting its marking pencils to mark furs prior to sewing. An optical industry had begun to use them for indicating lenticular gradations in grinding. These are good jumping off points for sales promotion and indicators for advertising. Selling groundwork is to find out who likes the pencils.

Finding where Listo pencils have become or can be made indispensable business tools has resulted in permanent tie-ups. For example: The Dictaphone Corp. and The Soundscribe Corp. include a Listo marking pencil with each dictating machine they sell. The pencil is ideal for marking plastic recordings. Users soon get the idea. Even the Government was cultivated: It is a heavy user of the Listo pencil with special color leads for use on radar plotting and filter center screens.

How are these markets developed?

Entirely by the alertness, energy and imagination of the men who comprise Listo's top management, and the resourcefulness and salesminded-

ness of wholesalers and premium specialty houses picked to do the selling. Listo maintains no direct sales force in the field on its premium line.

How does the firm provide incentive for jobber salesmen?

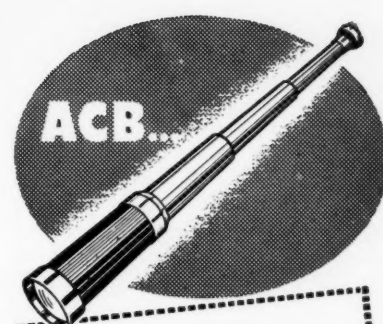
Says Stuart: "The incentive is in the product itself. There are many premium items which are given a 'face value' of \$1.95 or \$2.95, which are available as premiums for 10 to 29 cents. This face value is often false because analysis of many high-price premiums proves that the product cannot possibly move through normal retail channels at the face value price.

"Our incentive on the Listo marking pencil to the jobber salesman rests in volume," continues Stuart. "Although the markup on this pencil to the jobber is not nearly so attractive as it is on some of the super-duper premium items, he still makes a greater profit because of the volume, ease of selling and reorders that he enjoys.

"Other factors in recommending it to jobbers and their men," says Stuart, "are proven acceptability to the consumer and the fact that refills are available in any logical outlet almost anywhere in the U. S."

Though the Listo marking pencil has been pushed as a premium only a short time, it is used by bakeries, coffee packers, breweries, baby food packers, polish manufacturers, makers of automotive supplies, packers of dog food, and manufacturers of supplies for the industrial field.

Approximately 15% of the company's volume is now in the premium field—and is growing. At the same time, over-all sales volume during the past 10 years has grown by several hundred percent. This year, celebrating its 30th birthday, Listo Pencil Corp. is moving into a new plant which will expand production and distribution.



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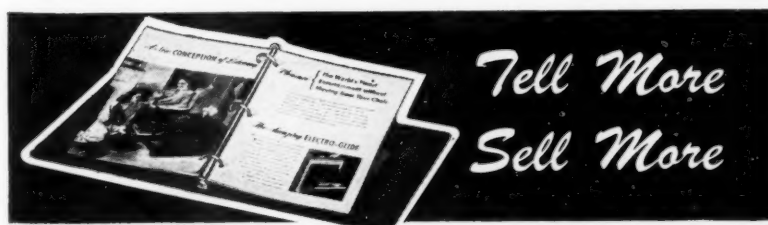
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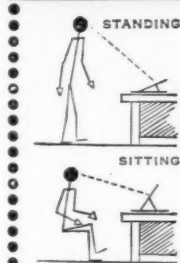
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The manner in which you respond plays an important part in your public relations. You may be able to profit by the experience of this public utility which has worked out 14 ways to size up fairly and quickly merits of gift-seekers.

How and when to say "yes" or "no" to the hundreds of requests for donations which companies receive today has become a major problem.

Our company is a large public utility. As a public utility we're by law monopolistic. Our funds are derived from customers who cannot go elsewhere for service. But by the same token, we're regulated by the Government and our earnings are restricted. We must, therefore, justify expenditures.

To keep donations within the five percent deduction limit set by the Internal Revenue Code, the number of requests we turn down exceeds those we grant.

At one time donations were handled more or less informally by various top executives, subject to approval of the president. But in a company the size of ours this function now requires more organization.

Six years ago the president of our company appointed a committee to handle contributions. It is comprised of the assistant to the president, general sales manager, vice-president and

secretary, treasurer, and general superintendent of plants. We have a full-time secretary, and we meet regularly once a month.

Our major policy is that "the gift without the giver is bare." Thus, we not only support charitable, educational and civic institutions, we encourage our employees to give personal service to them.

This has important results: We have a better idea of what the future will bring, and we can budget our

About the Author

His name and that of his company, one of the most publicized in the country, must remain anonymous. Public utilities, whose rates are set by law, find themselves in a ticklish position when it comes to contributing to charities. They are condemned as wasteful if they do, and pilloried as heartless monopolists if they don't.

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"I sincerely believe that volume sales result from planned advertising. For example, in a recent merchandising campaign we planned to sell 100 "famous brand name" electric food mixers. We spent 85% of our advertising budget in the Sioux City Journal and Journal-Tribune newspapers because we were sure that we could blanket Sioux City and the Sioux City retail trade area* with Journal and Journal-Tribune circulation. Result: 127 mixers sold, many new satisfied customers, an award from Brand Names Foundation for an outstanding retailing job!"



Rudy Schindler

These are the words of Rudy Schindler, prominent jeweler and business man in Sioux City, Iowa. Sioux City is located in the heart of the rich midwest, is the third largest stocker feeder market in the nation and rates fourth highest in the nation in total cattle receipts.

*Sioux City A.B.C. Retail Trade Area (49 counties in Iowa, Nebraska, South Dakota, Minnesota.) Population—818,400 "Buy Minded" people.

contributions more equitably.

Our annual budget is subject to approval by our board of directors. They of course allow the committee some reserve for various unforeseeable minor contributions up to \$1,000. But all major solicitations, such as the unexpected second Red Cross Drive the year the Korean war started, are submitted to the board of directors for approval. We do not penalize a worthy cause just because the request comes in after our annual budget is made up.

We treat all applications seriously. When we write a refusal we are courteous and state our reasons.

Our present policy has 14 points, revised from time to time:

1. Each application for a contribution is considered individually.

2. The prime test of an application for a contribution is this: Will the contribution advance the company's and the community's interests?

3. Other questions pertinent to a sound judgment include:

What is the worth per se of the project, activity, or operation for which the contribution is sought?

What is the standing of the organization making the solicitation?

Who are the sponsors of the organization making the solicitation?

What are the ramifications of the organization and the sponsors?

Will the company derive its money's worth from the expenditure?

4. In general, the company gains more from contributions to projects, etc., in its own territory than from contributions to regional or national projects. However, there are exceptions such as the Red Cross.

5. As the company derives its funds from the entire community, its general practice is to support only projects, etc., of community-wide service. However, a project sponsored by a minority group may provide a direct service to the entire community.

6. The size of any contribution is determined according to the total fund being sought, and the individual contributions by others. (In our investigations of an application, we frequently ask for a list of other donors and the amounts they contribute.)

7. Since organizations and institutions are subject to change in management and effectiveness, all applications for contributions are thoroughly examined.

8. In most instances, we require written applications for contributions. (We sometimes receive requests by telephone or in person from someone who thinks he has an "in" with our company, but after we request a written application we sometimes never hear from him again.)

9. Applications are acted on promptly. No contribution is made until complete information has been obtained.

10. When a contribution is made, every reasonable effort is made to have the company derive the maximum benefit for the expenditure of its funds. (The personal service on the part of our employes in various organizations tends to insure that donations will be used to the best advantage.)

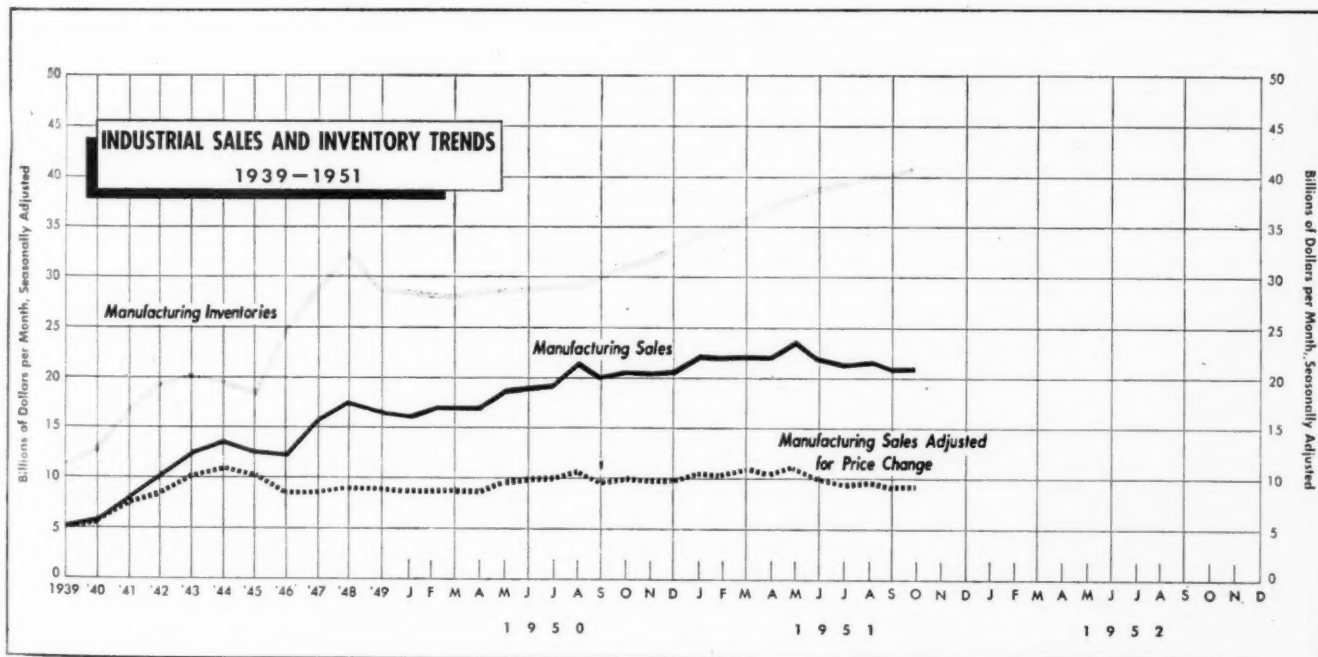
11. When possible, contributions are delivered by the person in the company's organization who, because of his position, duties, connections, etc., can help make the expenditure accrue most to the company's benefit. However, contributions are never used only for the advancement of anyone's personal interest.

12. When a contribution is made a sincere interest should be cultivated and pursued in respect to the development of the project.

13. Letters accompanying contribution checks are written in the right spirit and they do not "pressure" others to contribute.

14. Reports evaluating the work of the organizations to which we have contributed are sent in from time to time by representatives of our company.

All our investigations answer two final questions: Is the applicant making the most of what he is getting? Is he, himself, contributing to community welfare? If the answer is "yes" in both cases, we are likely to give a "yes" answer.



Manufacturers' sales in October amounted to \$21.0 billion (seasonally adjusted), but in terms of 1939 wholesale prices for manufactured goods, this would represent \$9.6 billion of shipments, or an increase of 88%.

Thus, despite continued gains in the manufacture and shipment

of defense goods, which account for a substantial part of the continued rise in inventories, (including raw materials and goods in the process of manufacture as well as finished goods), shipments of civilian manufactures have declined steadily since the first quarter of 1951.

(continued from page 30)

A company comes out better if it can demonstrate that it is "efficient." So it's wise to keep records of just how good you've been. There should be a notation each time you've met a delivery date, or if that doesn't happen in your field, each time you've been a bit prompter than your competitors. Lateness, incidentally, is chronic in most Defense work. What is your record on meeting specifications? A company whose products are rarely rejected, or rejected less often than those of its competitors, should mention this. The renegotiation officer is supposed to see whether you're using your equipment to the hilt. A showing of overtime work helps. Reductions in costs as the work proceeds would be considered evidence of good management, so it's said. It isn't enough to show that costs were below your first estimates, which after all may have been padded. A record of greater volume per labor hour is more persuasive. CMP records count. A company that wastes scarce materials, in effect, is fined for it. It's good to show a high volume per ton of steel.

Could bonuses be based on profits after instead of before renegotiation? The law and regulations do not mention the point. Probably, the Revenue Bureau would refuse to accept the deductions.

you in a field where there's continual trouble in getting raw materials or components? The trouble should be documented. Are the standards hard to meet?

The "Risk" and "Efficiency" factors, you'll notice, work against each other. It's a tricky business. A loss on Efficiency can sometimes be recouped under Risk; on the other hand, careless documentation of either might be debited against you under the other. As you show that you meet specifications, will the officer decide that you're efficient or merely that you've been given easy contracts?

Another point is whether the company makes "contributions to Defense." You get a high mark for having developed the product that you're now producing. If you've worked out a new technique and, more important still, shared it with others, you'll be favored. Affidavits proving altruism should be at hand during the hearings.

Beyond these points of discretion for the renegotiators, the Board, like its predecessors, may invent new ones. The law lets it set up new standards of merit, which then must be published. This clause evidently was put in as a precaution, should some company prove peculiarly deserving in a way Congress could not guess. Such unforeseen merits did not emerge under the earlier laws and probably won't now. Nothing prevents a company from making suggestions

On all of these points, your company will be compared with others in the same field. If a renegotiation officer discovered that everybody deserved, say, an "Efficiency" badge, he might infer that this characteristic was common to the business and make no awards.

There are various exemptions—farmers, miners and others. There's also an overriding exemption of \$250,000; only \$1, that is, of \$251,000 gross renegotiable business is covered. Practically, it would waste time to deal with people taking in a little more than the privileged amount. There will probably be an additional exemption, written or unwritten, established under a staff rule.

It is interesting to note that agents or, as the law calls them, "contract brokers," get an exemption of only \$25,000. The rest of their commissions are renegotiated. The old laws didn't mention agents at all.

34 State Medical Journals
Covering 39 States. Write for
the "29 Space Budgets."

**STATE JOURNAL
ADVERTISING BUREAU**
of the American Medical Assn.
335 N. Dearborn St., Chicago 10

When Better Hands Are Dealt to Makers of Products for the Lucrative Medical Market

Worth Writing for . . .

Booklets, Surveys, Market Analyses, Promotion Pieces
and Other Literature Useful to Sales Executives

Selling to Dairy Products Industries: A booklet published by The Olsen Publishing Co., which explains how millions of dollars in sales are lost by not reaching the right people—the people who do the buying with in the butter, cheese and milk products industries, the ice cream, and the bottled milk industries. It tells who the right people are . . . how sales are created . . . how to reach the right people. Write to Peter Olsen, Promotion Manager, The Olsen Publishing Co., 1445 N. Fifth St., Milwaukee 12, Wis.

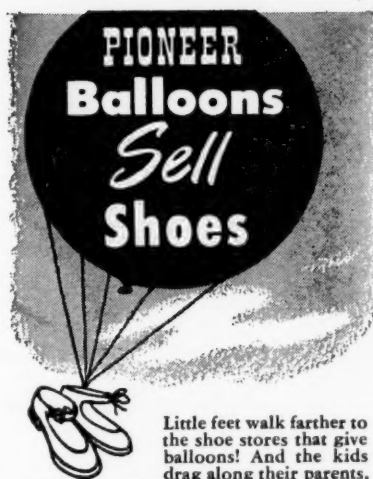
"Why Living Improves:" A 17" x 12" chart, designed by Leighton Wilkie, managing director of The Wilkie Foundation and chairman of the board of the DoALL Co. It graphically portrays the economic factors affecting the progress of our standard of living. Data used were gathered through the cooperation and facilities of the U. S. Department of Commerce, U. S. Department of Labor, U. S. Bureau of the Census, Twentieth Century Fund, Federal Power Commission, Banking and Monetary Statistics, American Economics Foundation and other sources. Sells for 25 cents a copy. Write to C. H. Rosene, Director of Public Relations, The DoALL Co., Des Plaines, Ill.

Indiana's Golden Zone Market: A booklet put out by *The News-Sentinel* and *The Journal-Gazette* provides data which will be helpful in evaluating the Fort Wayne market. It's a self-contained market, isolated from other large cities. The Fort Wayne retail trading area as designated by the Audit Bureau of Circulations is made up of nine counties in northern Indiana and four counties in Ohio, offering a unique balance between rural and urban population and between industry and agriculture. It has a 452,654 population,

of which 51.6% is urban and 48.4% is rural. It's a market with a cash income of \$324,028,000 from farms and factories, evenly divided between industry and agriculture—industrial wage 51.5%, cash farm income 48.5%. Fort Wayne, with 133,607 population ranks 70th in size in the nation . . . With effective buying income per family amounting to \$6,648, it ranks first in Indiana . . . 51% above state average . . . 14th in the U. S. . . . 47% above national average. In dollar volume it is northern Indiana's leading wholesale and distributing center. Among all the 162 standard metropolitan counties in the U.S., Allen County ranks sixth highest in buying power per family. Send requests to Paul H. Knapp, General Advertising Manager, Fort Wayne Newspapers, Inc., Fort Wayne, Ind.

Drug Route List and Maps of Camden city and South Jersey, prepared by the Camden, N. J., *Courier-Post*. There are 62 outlets located in the city of Camden and 319 outlets located in South Jersey (excluding Camden). Pocket size, they sell for \$10. Write to Virginia W. Wilton, Promotion Manager, *Courier-Post*, Camden, N. J.

Chain and Independent Grocery Store Sales: A report put out by *The Progressive Grocer* which shows how grocery store sales are divided between independents and chains. One table gives the number of stores and sales for independents and chains in each state. Another table gives similar information for 90 metropolitan areas. The figures in the tables include only grocery stores; that is, groceries without meats and groceries with meats. All figures are based on the 1948 Census of Business. Write to Carl Dipman, Editor, *The Progressive Grocer*, 161 Sixth Ave., New York 13, N. Y.



Little feet walk farther to the shoe stores that give balloons! And the kids drag along their parents, America's original "Captive Audience." In any promotion don't forget that there's money in Sonny — and Susie, too! Your sales message on PIONEER Qualatex "Floating Billboards" not only advertises but sells your product.

PIONEER balloons as package inserts, tie-ons or self-liquidators pep up sales of any product! Printed in non-fading, crackless pigments, gorgeous colors. Our Ad Service Department gives you ideas, samples, imprint information. Write to The PIONEER Rubber Company, 179 Tiffin Road, Willard, Ohio.



A. C. WILLIAMS
One of
WDIA's
many famous
personalities

BLUE PLATE FOODS Joins the Swing to WDIA in Memphis

WDIA completely dominates in selling the 44% Negro segment of Memphis' 394,000 population . . . economically reaches and sells a total of 489,000 negroes in WDIA BMB counties. The 5 other Memphis stations split up the white audience.

Blue Plate Foods now uses WDIA as do such other QUALITY advertisers as Tide, Lucky Strike, Kellogg, Ipana, Super Suds, Purex, Sealtest, Arrid, Bayer Aspirin and Calumet. The Hooper below shows why WDIA is a GREAT BUY. Write for full details.

HOOPER RADIO AUDIENCE INDEX									
City: Memphis, Tenn. Months: May-Sept. '51									
Time	Sets	WDIA	B	C	D	E	F	G	
MF 8AM-6PM	13.4	25.0	23.6	17.3	13.0	10.8	4.9	4.0	

MEMPHIS **WDIA** TENN.

John E. Pearson Co., Representative

Advertising

MEDIA ... AGENCIES ... SERVICES

Family Circle Tells Grocery-Distributed Magazine Story

In its new slidefilm presentation, *Family Circle* not only tells the story of its own advantages as an advertising medium, but also presents—unselfishly—an impelling pitch for the grocery-distributed magazine field in general.

The presentation shows that, because of its unique method of distribution and the size of its circulation (3,500,000 copies guaranteed, March 1952), *Family Circle* offers advertisers an automatically selected audience representing large, concentrated purchasing power. The magazine, pioneer in its field (established in 1932), is sold at chain grocery store checkout counters, and is distributed by 14 of the country's leading chains. Collectively, these 14 chains account for more than one-third of all U. S. food-chain business and 11% of total U. S. food store

sales. Surveys show that 70% of the magazine's reader-families buy at least half of their grocery needs at the store where they buy *Family Circle*. The 3½ million homemakers who buy the magazine are all shoppers, buy it while shopping, and can only buy it at food-chain outlets, the presentation points out.

Today *Family Circle* is national in scope. It has circulation in all 48 states and in 675 counties—or 87% of U. S. counties doing \$20 million or more in annual retail sales. Of its total circulation, 62% is concentrated in 142 of the 162 Metropolitan County Areas defined by SALES MANAGEMENT—representing 60% of U. S. retail sales. In each of the A.B.C. geographical regions, *Family Circle's* percentage of total circulation closely parallels not only the region's percentage of U. S. retail sales, but the percentages of total circulation of other magazines which are generally regarded as “national.”

The presentation also shows the



PROMOTED: Gough J. Palmer (left), to advertising manager of *The Columbus Citizen*. He is replaced as retail advertising manager by William M. Schmidt (right) from *The Pittsburgh Press*.

magazine's circulation growth—128% in the last four and a half years. An 830,000 copy increase in the past year alone means that one of every four current readers became a new reader during the last year.

Family Circle is second only to *Good Housekeeping* in percent of editorial content devoted to service features, giving 14% to food, 11% to fashion, 8% to equipment, 7% to child care, 5% to home decoration, and another 5% to health and beauty. The remaining 50% editorial content is devoted to fiction, movies, hobbies, travel, books and miscellaneous features.

The record of advertising shows a 166% increase in *Family Circle's* ad volume in the past five years. Revenue, too, is up—328% over 1946.

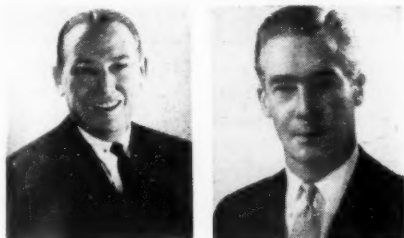
Circulation and advertising revenue figures for *Family Circle* and *Woman's Day*—the only A.B.C. magazines in the field—over the last five years were cited and compared with those of other magazine groups to show the positive trends toward grocery-distributed magazines by both consumers and advertisers.

The combination of these two largest grocery-distributed magazines was compared with other magazine combinations producing about the same total circulation. These comparisons reveal that *Family Circle* and *Woman's Day* together deliver: (1) 2.5% more circulation, 3% more Metropolitan County Market circulation, at 10% less cost on a four-color page than do *Ladies' Home Journal* and *Good Housekeeping* combined; (2) 9% more circulation, 11% more Metropolitan County Market circulation, at less than half of one percent more cost on a four-color page than *Woman's Home Companion* and *Good Housekeeping* combined; (3) 39% more circulation, 35% more Metropolitan County Market circulation, at less than one percent more cost on a four-color page than *Life*. It was further



KNXT, new call letters of CBS-TV Los Angeles station (formerly KTSL) are officially set at same time station's transmitter is moved to Mount Wilson, giving almost four times larger coverage area. Shown here at ceremonies are: (left to right) Larry Nolte, advertising manager, Evaporated Division, Carnation Milk Co.; J. L. Van Volkenburg, president, CBS Television Division; Paul Willis, general ad manager, Carnation.

pointed out that, on a basis of U. S. circulation, advertisers pay the same base rate for a four-color page in *Family Circle* as they pay for a black-and-white page in *Life*.



ELECTED: Joseph R. Joyce (left) and Lee Harwood (right), are now vice-presidents of Robert W. Orr & Associates, Inc.

Dell's 10 Top Comics Covers Open to Ads

Dell Publishing Co. is making available for the first time its 10 most popular comic titles to a limited group of advertisers. Advertising will be accepted only on the second, third and fourth covers in four colors. The average monthly circulation is a guaranteed 10,000,000.

Dell is currently publishing 38 comic titles which comprise 10% of all the titles in the field, 35% of all comics circulation. Until now the firm has never carried advertising in its comics group, although other publishers have been developing this advertising medium for years.

Dell's comics were first in the field, having been pioneered in four colors by George T. Delacorte, Jr., publisher, in 1935. Today they are top choice of the 6-to-15 children's age group, and have universal approval of parents and teachers. For the last seven or eight years advertisers have been endeavoring to buy space in Dell's comic books. According to Dell officials, the reason for the move at this time is not so much outright profit as to insure continuance of top quality in the firm's comics group in face of rising production costs.

Commencing with the April issue, the three covers of these 10 Dell comic books will be reaching nearly every child in the country, according to the company. The rate is to be \$1.95 per thousand — \$19,500 per page. A telegram from Harold Clark, advertising director of Dell, was sent simultaneously to just 50 national advertisers informing them of the availability.



ELMORE B. LYFORD, former supervisor of television station relations for NBC, is named station relations director, DuMont Television Network.

Dog Owners, Home Handymen in Collier's Market Study

Prepared dog food producers are taking significant strides in expanding their market, a *Collier's* Market Survey released this month shows.

Results of the study among the weekly's readers indicate that 82% of the dog owners are buying prepared dog foods. Of *Collier's* readers, 38% own dogs.

In 1939, a similar survey showed that about the same amount owned



2821

Helpful Book, Free! ➡

United VAN LINES, INC.

Moving With Care Everywhere . . . Over 400 Agents in U. S. and Canada

Pre-Planned from the start

Right from the first interview with your United Van Lines agent's representative, each United move is *Pre-Planned* for your benefit. Advance attention to troublesome details saves many difficult hours later. More and more alert sales executives are specifying United *Pre-Planned* moving—it's a "life-saver" service they can depend on every time. Call the friendly, helpful United agent nearby, or write or wire United Van Lines Moving Headquarters, St. Louis 17, Mo.



United Van Lines, Inc.
St. Louis 17, Mo.

Without obligation, please send your 20-page Picture Book, "Moving with Care Everywhere" . . . with helpful moving ideas.

NAME _____
FIRM _____
ADDRESS _____
CITY _____ STATE _____

**BUY
• GIFTS
• PREMIUMS
• AWARDS**
DIRECT FROM THIS NEW 1952
WHOLESALE CATALOG

WRITE
FOR
CATALOG

OVER 250
PAGES OF
NATIONALLY
KNOWN

- DIAMONDS
- ELECTRICAL APPLIANCES
- WATCHES
- TROPHIES
- JEWELRY
- PEN SETS
- SILVERWARE
- LEATHER GOODS
- MANY OTHER GIFT LINES

WALDRON & CO., Inc.
1211 CHESTNUT STREET
PHILADELPHIA 7, PENNA.

We publish two good newspapers
... they are read by everybody
in and around Louisville

We sell advertising space at
reasonable rates.
It produces sales.



The Courier-Journal
THE LOUISVILLE TIMES

Owners and operators of
Station WHAS and Station WHAS TV
364.123 DAILY • 293.426 SUNDAY
REPRESENTED NATIONALLY BY THE BRANHAM CO.

dogs — 36%. However, only 60% purchased prepared dog foods in that year.

Both studies were conducted by the Crowell-Collier Publishing Co., Research Department; Ray Robinson, director.

The questionnaire on dogs showed that among families in the highest income level—\$7,000 or more—48% own dogs, a considerably larger proportion than other groups. With this exception, dog ownership is fairly equal among income groups, according to the survey.

The *Collier's* Market Study, which covered 24 subjects, also threw light on the handyman at home. It showed that more than half of the respondents—52%—do their own carpentry, rather than hire professional workers, and 70% tackle painting chores. Electrical jobs are done by only 37% and plumbing tasks by 29%.

The greatest proportion of people doing their own home repairs and improvements is found among families with incomes between \$3,000 and \$5,000.

Renters are an important market for home repair equipment, the study discloses. Although there are more home owners than renters in this market, tenants are likely to do as many home repairs as home owners.



JOHN K. STRUBING, JR., is elected executive vice-president of Compton Advertising, Inc.; he has been a vice-president and plans board member for last 10 years.

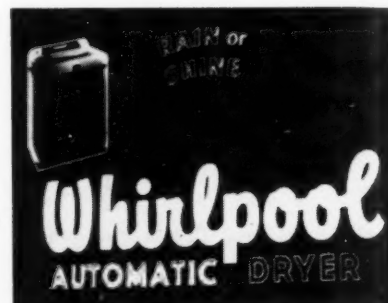
Canadian Broadcasters Get MBS' Radio Booklet

In response to a request by the Canadian Association of Broadcasters, national trade group of radio stations within the Dominion, Mutual Broadcasting System has made available its industry-wide campaign of air announcements promoting radio. These were recently published in booklet form under the title of "Radio—It's Wonderful!"

At the request of T. J. Allard,

general manager of the Canadian Association of Broadcasters, 200 copies of the MBS announcements have been forwarded to the organization's headquarters in Ottawa for distribution throughout Canada.

Originally prepared to help build greater awareness of the part radio plays in everyday living habits in the United States, these copies are being edited to conform with statistics pertaining to radio homes and set ownership within Canada.



EXPOSURE every night and day to a total circulation of 81,198 is achieved by this spectacular bulletin advertising the multiple products made by Whirlpool Corp. It was erected in Detroit for Morley Brothers, Inc., by Walker & Co.

Media Promotions

Edward E. Hall is appointed sales service manager for CBS Radio. He joined CBS in 1934 and has been promoted from his most recent position of Eastern Division manager, Station Relations, CBS Television. . . . Lowell Jackson is named sales manager of the ABC Central Division Radio Network; he was formerly a member of the Division's Radio Sales Department. . . . Frank G. Atkinson, Jr., is appointed manager of the Radio Co-op Program Sales Department of ABC which he joined in 1942. . . . H. M. Love, advertising director of *Footwear News*, is named director of new publishing activities division for Fairchild Publishing, Inc., effective December 1. He will work directly with the officers of the company in studying opportunities for new publishing properties. . . . Kevin B. Sweeney, sales manager of Don Lee Television, Inc., Hollywood, Calif., is appointed to the staff of Broadcast Advertising Bureau as director of national promotion and John F. Hardesty, director of station relations for the National Association of Radio and Television Broadcasters, has resigned from that post to become director of local promotion for BAB. . . . Sylvester L. Weaver, Jr., vice-president in charge of television for the National Broadcasting

SALES MANAGEMENT



GORDON McCULLOH, named a vice-president of Cunningham & Walsh, Inc., has been associated with this agency and predecessor, Newell-Emmett Co., since 1928.

Co., is elected to the network's board of directors. . . . Norman E. Cash, director of radio station relations for NBC, has resigned to join the Crosley Broadcasting Corp. to become that corporation's assistant general sales manager for radio. . . . William Phillopsonis is named director of the Western Division of the American Broadcasting Co. in charge of all radio and television activities of the network on the Pacific Coast. . . . Gayle Grubb, general manager of KGO and KGO-TV, San Francisco, is elected a vice-president of ABC.

Nation's Business Shares Costs with Subscribers

In a mail piece directed to advertising agencies, *Nation's Business* says it believes the subscriber should pay an increasing share of a publisher's growing costs. Alone in taking such a stand among publishers who have been raising rates with almost clock-

like regularity to meet spiraling costs of publishing, *Nation's Business* also is announcing no rate increase. This is in spite of a hike in guarantee of 11%, from 675,000 to 750,000, plus a bonus of better than 25,000.

The magazine's concept that the subscriber should help shoulder the load has been in effect for years. *Nation's Business* has pushed the price per copy up from 20.8 cents in 1942 to 50 cents today.



HUGH M. P. HIGGINS, newly named market research counsel for the CBS Radio Network, was director, Broadcast Advertising Bureau.

The mail piece asks: "How has it worked out?"

And answers: "Well, in 1943 the subscriber was paying \$7.50 for three years. We asked him to pay \$9.50. He did. Circulation went up to 451,000 . . . at \$12 for three years, up to 530,000 . . . then \$15, up to 720,000 . . . and the first of this year . . . \$18.

"Nine months after this increase, *Nation's Business'* paid circulation is at its all-time high; 775,661 copies of the September issue were bought and paid for . . ."



TRAFFIC-STOPPER recently unveiled for Glenmore Distilleries, Inc., it is located on the Fifth Street on-ramp of the San Francisco-Oakland Bay Bridge. The bottle alone is 23 feet long. A scintillating flasher and flood lighting are supplemented by 275 feet of Zeon tubing. Foster and Kleiser Co., West Coast outdoor firm, built the sign.

HIRING SALESMEN?

Write for a free sample of our specialized application blank

In evaluating applicants for sales jobs, your company needs detailed information on the education, background, sales experience and individual characteristics of each prospective employee.

To fill this need, SALES MANAGEMENT has prepared specialized "application for employment" forms based on the opinions of a group of experts on hiring salesmen. These detailed four-page forms will give you all the basic information you need on each applicant. They have been approved by legal experts as conforming to the New York State anti-discrimination law, regarded as the strictest of any state in the nation.

A free sample of this "application for employment" blank will be provided, with a price list, on request. Write—SALES MANAGEMENT, 386 Fourth Avenue, New York 16, N. Y.



Rep. Brownson, a freshman Congressman who upset a Democrat, declares . . .

"Politicians Are Bad Sales Managers!"

"Politicians," says Representative Charles B. Brownson, (R.) of Indianapolis, Ind., "are generally good salesmen but bad sales managers."

Congressman Brownson knows what he's talking about. He himself applies the principles of sales management to politics. He attributes his victory in an urban district that for 22 years had been a Democratic stronghold partly to that fact.

"I suppose," he says, "it looks funny to you to see a congressman using SALES MANAGEMENT's County Outline Retail Sales Map. You undoubtedly wonder how I can use it in Congress."

"Well, a lot of legislative work consists of dealing with other congressmen. The SALES MANAGEMENT *Survey of Buying Power* gives me the income levels of their districts, plus a lot of other things. The SM map shows me what these congressmen are—or should be—interested in."

"Notice that I also have a three-dimensional contour map. It makes a difference whether a man comes from mountains or plains."

Congressman Brownson studies marketing surveys to help in his work of legislating. They also came in handy, he says, when he first ran for

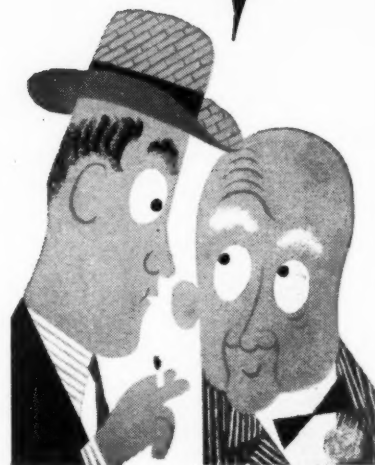
Congress in 1950. He represents a big urban-rural district of about half a million people. As he addressed his prospective constituents on street corners or canvassed their homes door-to-door, he was grateful that he had first taken several cues from local income surveys. "Market analysis always helps—and not just in selling products."

Congressman Brownson is a constant joiner and belongs to about every civic group in his district—the Chamber of Commerce, the Legion, etc.—and goes to meetings. He's always been a Legion politician and at long last enjoys getting into real politics.

One's first impression of the Congressman Brownson is that he's shy, bookish. He doesn't throw himself at you. He's about six feet tall, rather awkward . . . but he's a good salesman. He started in during school years, selling door-to-door for Real Silk Hosiery Mills, Inc. In 1936 he organized Central Wallpaper and Paint Co., of which he is president.

Brownson's hobby is filming and developing movies. He's likely to address meetings with the aid of movies, slides, charts, maps. It's natural for him to combine his hobbies and business.

The Ward Baking Company offered a free calendar to put its name before more St. Louis customers, and received 27,036 mail requests within three weeks at a cost per inquiry of only three cents, on THE HOUSEWIVES' PROTECTIVE LEAGUE Most sales-effective participating program . . . anywhere!



NEW JERSEY'S FOURTH LARGEST MARKET

**NOW
WE ARE
CHECKING**



This is the third in a series of 10 week continuing studies conducted in over 10% of all grocery store outlets throughout Bayonne. 10 week surveys of Margarine, Instant Coffee and now Soap Flakes have been tabulated by brands, sizes, sales, type of outlet, etc.—and are yours for the asking.

Send or call for complete details of current and contemplated grocery store surveys.

THE BAYONNE TIMES

"Bayonne cannot be sold from the outside"

NATIONALLY REPRESENTED BY
BOGNER & MARTIN

SALES MANAGEMENT

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The Scholl Mfg. Co., Inc. requires a top executive with wide experience capable of controlling all Sales Divisions including Drug, Shoe, Variety and retail outlets. Must have outstanding ability—Capable of building and directing large Sales organization. Write full particulars Mr. F. J. Scholl, 213 W. Schiller St., Chicago 10, Ills.

COMMENT

COMPLACENT ABOUT ETHICS?

What this country needs right now is a lot more moral indignation.

We need it from public officials, from our teachers, and our businessmen. And we agree with members of the Detroit Sales Executives Club that we need more of it from our own sales executives.

"With investigation after investigation revealing the weakening of ethics in public life and by certain men in business," says the Detroit club, "isn't it about time we re-stated and re-emphasized the code of decent ethics?"

The Detroit club, which in recent years has become something of a bellwether, answered its own question by staging a joint meeting with the Purchasing Agents' Association of Detroit. Subject: "What About Ethics in Buying and Selling?"

It's not enough to attribute dishonest business practices to an unscrupulous minority. Consensus of the panel at the Detroit session was that the burden of blame lies upon the shoulders of all businessmen unless we step out to forcefully combat the downward trend in our ethical standards.

There can be no corruption of ethical standards without the participation of a buyer and a seller. The Detroit panel, which included Chester F. Ogden, purchasing agent, Detroit Edison Co., and president of the National Association of Purchasing Agents, recognized that pressures can, and do, come from either the buyer or the seller. But it is with the ethical conduct of salespeople with whom we are concerned and can do something about.

In addition to speaking out now on behalf of higher ethical standards, what can we do to insure a continued high level of conduct on the part of people in the sales field?

Let's begin with selection of our salesmen. We appraise men for their sales aptitudes, probing deeply into motives that move them; we seek men and women who are physically healthy, and we want to find out if they—and their wives—will be happy in sales work. Perhaps it is time to probe into the ethical standards which they bring to selling. Basic teachings in ethics should, of course, take place in the home, the school, and the church, but we shouldn't wait until a new generation is ready to enter business.

The Detroit panel stressed the need for the selection of sales and purchasing people with high moral concepts. A salesman or buyer in his business contacts displays not only his own personal rules of ethical procedure, but those of his employer.

We're all against sin, but do clergymen fail to remind us of evil just because they assume we will not forget? Perhaps now it's time for businessmen to talk about the ethical concepts by which they operate their businesses. It may seem a bit embarrassing at first. Not so long ago we felt that way about showing our feelings of Ameri-

canism. Each in his own way, will find a way to express his feelings about a subject of grave importance.

The sales executive, because he is a leader of men, has a particularly strong obligation to deal with ethical standards in business. With the general public so aroused by our decayed standards in government, in some of our schools, and in certain aspects of buying-selling, we should be the first to turn the white light of inspection upon our own conduct. We should write about it, discuss it among ourselves, and bring it to the platforms of our sales executive club meetings, and at conferences and rallies.

STRAIGHT FROM THE BOSS

It requires, we suppose, a salesman who has risen through the ranks to become president to write the kind of letters which C. G. Frantz sends each Tuesday to employes of Apex Electrical Manufacturing Co.

President Frantz tells his employes what's worrying him—and what could worry them if the company doesn't come up with the right answers.

This weekly presidential letter is not a staff written memo. In fact, President Frantz disclaims asking advice from any of his associates about what to say. At first, the board feared he might give away trade secrets, and, probably, unionized members expected just another one of those paternalistic mouthfuls of cotton.

If you're concerned with the problem of communications you'll probably glean an idea from Apex. For the details, turn to page 40.

HOME-TOWN TALKS

Are you a "national" leader—with no local following?

The moderator of a highly successful radio forum in wealthy, suburban Westchester (N. Y.) County stumped us the other day. "Why," the moderator asked, "are businessmen whose names are household words across the country so gun-shy when it comes to speaking out in their own communities about the management point of view?" Labor chiefs, educators and leaders of all segments of American life—except businessmen—willingly participate in forum discussions in their own communities.

Which leads us to wonder if too often business leaders have allowed themselves to become "national" leaders lacking a local following? A politician without a hometown base from which to operate is as powerless as a "statesman." People may listen to his views, but they have no way of "buying." That is what happens to a "national" leader who has no machinery for carrying out the ideas which he expounds.

Businessmen's decisions affect wages, prices and profit levels. Executives are heard regularly from national platforms, commenting on national and international affairs. But in their own communities they are, often, silent and almost unknown. Perhaps businessmen might borrow an idea from their sales departments, "all business is local."